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STATE OF MINNESOTA

SEVENTY-SEVENTH SESSION—1991

FORTY-SIXTH DAY

SAINT PAUL, MINNESOTA, FRIDAY, MAY 3, 1991

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 roll was called and the following members were present:

Abrams	Frerichs	Kinkel	Olsen, S.	Skoglund
Anderson, I.	Garcia	Knickerbocker	Olson, E.	Smith
Anderson, R.	Girard	Koppendrayner	Olson, K.	Solberg
Anderson, R. H.	Goodno	Krinkie	Omamn	Sparby
Battaglia	Greenfield	Krueger	Onnen	Stanius
Bauerly	Gruenes	Lasley	Orenstein	Steenasma
Beard	Gutknecht	Leppik	Orfield	Sviggum
Begich	Hanson	Lieder	Osthoff	Swenson
Bertram	Hartle	Limmer	Ostrom	Thompson
Bettermann	Hasskamp	Long	Ozment	Tompkins
Bishop	Haukoos	Lourey	Pauly	Trimble
Blatz	Hausman	Lynch	Pellow	Tunheim
Bodahl	Heir	Macklin	Pelowski	Uphus
Boo	Henry	Mariani	Peterson	Valento
Brown	Hufnagle	Marsh	Pugh	Vellenga
Carlson	Hugoson	McEachern	Reding	Wagenius
Carruthers	Jacobs	McGuire	Rest	Waltman
Clark	Janezich	McPherson	Rice	Weaver
Cooper	Jaros	Milbert	Rodosovich	Wejcman
Dauner	Jefferson	Morrison	Rukavina	Welker
Davids	Jennings	Munger	Runbeck	Welle
Dawkins	Johnson, A.	Murphy	Schafer	Wenzel
Dempsey	Johnson, R.	Nelson, K.	Scheid	Winter
Dille	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Dorn	Kahn	Newinski	Seaberg	
Erhardt	Kalis	O'Connor	Segal	
Frederick	Kelso	Ogren	Simoneau	

A quorum was present.

Farrell and Sarna were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Nelson, S., 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

S. F. No. 86 and H. F. No. 124, 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. 86 be substituted for H. F. No. 124 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 449 and H. F. No. 684, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

O'Connor moved that S. F. No. 449 be substituted for H. F. No. 684 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 861 and H. F. No. 1613, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Carruthers moved that S. F. No. 861 be substituted for H. F. No. 1613 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1231 and H. F. No. 1332, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Nelson, S., moved that S. F. No. 1231 be substituted for H. F. No. 1332 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. 702, A bill for an act relating to agriculture; transferring

the rural finance authority to the department of agriculture; changing the makeup and certain duties and procedures of the authority; providing for an agricultural development bond program to finance agricultural business enterprises and beginning farmers; establishing a dairy upgrading program; appropriating funds; amending Minnesota Statutes 1990, sections 41B.025, subdivisions 1, 3, 5, and 6; 41B.211; 474A.02, subdivisions 13a and 23a; 474A.03, subdivision 1; 474A.061, subdivisions 1, 2b, 3, and 4; 474A.081; 474A.091; 474A.14; proposing coding for new law in Minnesota Statutes, chapter 41B; proposing coding for new law as Minnesota Statutes, chapter 41C.

Reported the same back with the following amendments:

Page 21, delete section 25

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 13, delete "474A.081;"

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

The report was adopted.

Ogren from the Committee on Taxes to which was referred:

H. F. No. 833, A bill for an act relating to economic development; regulating the use of tax-exempt revenue bonds; amending Minnesota Statutes 1990, sections 474A.02, subdivisions 1, 2b, 7, 8, 19, and by adding subdivisions; 474A.04, subdivision 1a; 474A.047, subdivisions 1 and 3; 474A.061, subdivisions 1, 2a, 2b, 2c, 3, and 4; 474A.091, subdivisions 1, 2, 3 and 5; 474A.131, by adding a subdivision; 474A.15; 474A.16; and 474A.17; proposing coding for new law in Minnesota Statutes, chapters 462A and 462C; repealing Minnesota Statutes 1990, sections 474A.048; and 474A.081, subdivisions 1, 2, and 4.

Reported the same back with the following amendments:

Page 7, after line 21, insert:

“Sec. 11. Minnesota Statutes 1990, section 474A.03, is amended to read:

474A.03 [DETERMINATION OF ANNUAL VOLUME CAP.]

Subdivision 1. [ANNUAL VOLUME CAP UNDER FEDERAL TAX LAW; POOL ALLOCATIONS.] At the beginning of each calendar year after December 31, 1990, the commissioner shall determine the aggregate dollar amount of the annual volume cap under federal tax law for the calendar year, and of this amount the commissioner shall make the following allocation:

- (1) \$75,000,000 to the manufacturing pool, except for calendar year 1991, \$65,000,000;
- (2) \$46,000,000 to the housing pool for calendar year 1992 and \$81,000,000 thereafter;
- (3) \$10,000,000 to the public facilities pool; and
- (4) amounts to be allocated as provided in subdivision 2a.

If the annual volume cap is greater or less than the amount of bonding authority allocated under clauses (1) to (4) and subdivision 2a, paragraph (a), clauses (1) to (3), the allocation must be adjusted so that each adjusted allocation is the same percentage of the annual volume cap as each original allocation is of the total bonding authority originally allocated.

Subd. 2a. [ENTITLEMENT ISSUER ALLOCATION.] (a) The commissioner shall make the following allocation to the Minnesota housing finance agency and the following cities and county:

- (1) \$51,000,000 per year to the Minnesota housing finance agency, less any amount received in the previous year under section 474A.091, subdivision 6;
- (2) \$20,000,000 per year to the city of Minneapolis; and
- (3) \$15,000,000 per year to the city of Saint Paul; and
- (4) \$10,000,000 per year to the Dakota county housing and redevelopment authority for use in Dakota county or its political subdivisions.

The allocations under clauses (2) to (4) are for calendar year 1991 only.

(b) Allocations provided under this subdivision must be used for mortgage bonds, mortgage credit certificates, or residential rental

project bonds, except that entitlement cities may also use their allocations for public facility bonds.”

Page 13, after line 15, insert:

“(f) No city in an entitlement county may apply for or be allocated authority to issue bonds from the housing pool.”

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 5, after the semicolon insert “474A.03;”

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. 1072, A bill for an act relating to energy; removing requirement for foundation insulation; providing for energy audits of rental property; providing less favorable tax treatment of rental property that is in substantial noncompliance with energy code standards; providing a credit for energy conservation expenditures on rental property; requiring landlords to disclose certain energy information to prospective tenants; amending Minnesota Statutes 1990, sections 216C.27, subdivision 3; 216C.31; 273.1316, subdivisions 2, 5, and 8; 290.06, by adding a subdivision; and 504.22, by adding a subdivision.

Reported the same back with the following amendments:

Pages 3 to 9, delete sections 3 to 6

Page 9, line 3, delete “7” and insert “3”

Page 9, line 17, delete “8” and insert “4”

Page 9, line 18, delete “7” and insert “3”

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon

Page 1, delete lines 5 to 7

Page 1, line 8, delete "property;"

Page 1, line 11, delete "273.1316, subdivisions 2, 5, and 8;"

Page 1, line 12, delete "290.06, by adding a subdivision;"

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. 1420, A bill for an act relating to public finance; providing conditions and requirements for the issuance of debt and for the financial obligations of authorities; amending Minnesota Statutes 1990, sections 287.06; 400.101; 429.061, subdivision 3; 447.49; 469.155, subdivision 12; 473.811, subdivision 2; 475.58, subdivision 2; 475.60, subdivision 1; 475.66, subdivision 3; and 475.67, subdivisions 3 and 8; proposing coding for new law in Minnesota Statutes, chapter 469; repealing Minnesota Statutes 1990, section 475.60, subdivision 2.

Reported the same back with the following amendments:

Pages 1 and 2, delete section 1

Page 3, line 6, delete the new language and insert "November 30"

Page 3, line 7, delete the new language

Page 4, after line 26, insert:

"Sec. 4. [462C.14] [HOUSING PROGRAM AND DEVELOPMENTAL FINANCIAL SERVICES.]

Subdivision 1. [AUTHORIZATION TO PROVIDE SERVICES.] A city may provide housing program and development financial services, including mortgage banking services, for housing financed or assisted under a housing program of the city. The services provided by the city may include all housing program and development financial services, including origination of loans or other indebtedness, administration and servicing of loans or other indebtedness,

arranging for mortgage insurance from private or public sources, and other related services. For this purpose, the city may exercise any of the powers relating to housing or housing finance provided in this section and the powers of a city under this chapter, a housing and redevelopment authority under chapter 469, or the Minnesota housing finance agency under chapter 462A. Housing program and development financial services provided by the city are determined to be for the public purpose of assuring an adequate supply of affordable, decent, safe, and sanitary housing. A city may form a corporation under chapter 302A or 317A controlled by the city and delegate to it the power to exercise the powers granted to the city by this section.

Subd. 2. [BOUNDARY LIMITATIONS.] A city may provide housing program and development financial services only within its corporate boundaries, except to the extent that a joint powers agreement or contract authorizes a city to provide the services within the boundaries of another city or within the jurisdiction of a state agency.

Subd. 3. [JOINT ACTION.] Two or more cities, or housing and redevelopment authorities or port authorities authorized to exercise the powers of a city under this chapter, or a joint powers board formed by them, may act jointly pursuant to section 471.59 and this section or may delegate the exercise of their powers under this section to a corporation controlled by them. A city or other political subdivision or state agency may contract with the city or a joint powers board or a corporation for housing program and development financial services for housing.

Subd. 4. [OBLIGATIONS.] The city may issue bonds or other obligations and apply their proceeds for any proper purpose of the city or a corporation formed by the city relating to housing program and development financial services. Bonds or other obligations issued for a specific program or development shall be issued only in accordance with sections 462C.01 to 462C.07 to the extent required by section 462C.08. Bonds or obligations issued for financial services purposes may be sold at public or private sale, without an election, on the terms and conditions the city shall determine. For that purpose, the city may exercise any of the powers that a housing and redevelopment authority may exercise under chapter 469, or the Minnesota housing finance agency may exercise under chapter 462A, in either case without limitation under the provisions of chapter 475. The city or corporation may purchase real or personal property used or useful for housing program or development financial services under an installment contract, or lease real or personal property with an option to purchase under a lease purchase agreement. The city may issue bonds or other obligations secured by obligations under an installment contract or lease, in the manner provided in this section for other bonds or obligations issued for financial services purposes.

Subd. 5. [DEFINITIONS.] The definitions in section 462C.02 apply to this section.

Pages 7 and 8, delete section 10 and insert:

“Sec. 10. Minnesota Statutes 1990, section 475.60, subdivision 2, is amended to read:

Subd. 2. [REQUIREMENTS WAIVED.] The requirements as to public sale shall not apply to:

(1) obligations issued under the provisions of a home rule charter or of a law specifically authorizing a different method of sale, or authorizing them to be issued in such manner or on such terms and conditions as the governing body may determine;

(2) obligations sold by an issuer in an amount not exceeding the total sum of \$1,200,000 in any 12-month period;

(3) obligations issued by a governing body other than a school board in anticipation of the collection of taxes or other revenues appropriated for expenditure in a single year, if sold in accordance with the most favorable of two or more proposals solicited privately;

(4) obligations sold to any board, department, or agency of the United States of America or of the state of Minnesota, in accordance with rules or regulations promulgated by such board, department, or agency;

(5) obligations issued to fund pension and retirement fund liabilities under section 475.52, subdivision 6, obligations issued with tender options under section 475.54, subdivision 5a, crossover refunding obligations referred to in section 475.67, subdivision 13, and any issue of obligations comprised in whole or in part of obligations bearing interest at a rate or rates which vary periodically referred to in section 475.56;

(6) obligations to be issued for a purpose, in a manner, and upon terms and conditions authorized by law, if the governing body of the municipality, on the advice of bond counsel or special tax counsel, determines that interest on the obligations cannot be represented to be excluded from gross income for purposes of federal income taxation;

(7) obligations issued in the form of an installment purchase contract, lease purchase agreement, or other similar agreement; ~~and~~

(8) obligations sold under a bond reinvestment program; and

(9) obligations which the governing body determines to sell by private negotiation, if the municipality has retained an independent financial adviser."

Page 9, line 4, strike "governments" and insert "government" and strike "are" and insert "is"

Page 9, lines 5 and 6, delete the new language

Page 9, line 7, reinstate the stricken language

Page 9, line 9, after "state" insert ", or (4) a general or revenue obligation of any agency or authority of the state of Minnesota other than a general obligation of the Minnesota housing finance agency"

Page 9, line 11, after "service" insert "and provided that investments under clause (4) must be in obligations that are rated AA or better by a national bond rating service"

Pages 10 to 12, delete sections 12 to 14 and insert:

"Sec. 12. Minnesota Statutes 1990, section 475.67, subdivision 3, is amended to read:

Subd. 3. (a) Any or all obligations and interest thereon may be refunded if and when and to the extent that for any reason the taxes or special assessments, revenues, or other funds appropriated for their payment are not sufficient to pay all principal and interest due or about to become due thereon.

(b) Any or all obligations of one or more issues regardless of their source of payment and interest thereon may be refunded before their due dates, if:

(1) consistent with covenants made with the holders thereof, when; and

(2) determined by the governing body to be necessary or desirable;

(i) for the reduction of debt service cost to the municipality; or

(ii) for the extension or adjustment of the maturities in relation to the resources available for their payment; or

(iii) for the issuance of obligations bearing a fixed rate of interest in the case of obligations bearing interest at a rate varying periodically; or

(iv) in the case of obligations payable solely from a special fund, for the more advantageous sale of additional obligations payable from the same fund or to relieve the municipality of restrictions imposed by covenants made with the holders of the obligations to be refunded; provided.

(c) The amount of interest which may be refunded from the proceeds of the refunding obligations shall not exceed the amount of proceeds estimated to be required in excess of the principal amount of refunded obligations to retire the refunded obligations in accordance with subdivision 6; ~~but.~~ In no event shall the aggregate principal amount of the refunding obligations exceed by more than ten percent the aggregate principal amount of the obligations to be refunded.

(d) No general obligations, for which the full faith and credit of the issuer is pledged, shall be issued to refund special obligations previously issued for any purpose, payable solely from a special fund, unless ~~such~~ the issuance is authorized by ~~such~~ the election, hearing, petition, resolution, or other procedure ~~as that~~ would have been required as a condition precedent to the original issuance of general obligations for the same purpose.

Sec. 13. [ANOKA, WASHINGTON, AND DAKOTA COUNTIES; MORTGAGE TAX EXEMPTION.]

Subdivision 1. [AUTHORIZATION.] Construction loans on publicly owned low-income or senior multifamily housing projects in Anoka, Washington, and Dakota counties shall not be subject to the tax imposed by Minnesota Statutes, section 287.04. If the construction loan is held by the same entity as the permanent financing on a publicly owned low-income or senior multifamily housing, the tax imposed by Minnesota Statutes, section 287.04, shall be imposed only once at the time of the permanent financing.

Subd. 2. [EFFECTIVE DATE.] This section is effective for Washington county upon approval by the Washington county board and compliance with Minnesota Statutes, section 645.021, subdivision 3. This section is effective for Dakota county upon approval by the Dakota county board and compliance with Minnesota Statutes, section 645.021, subdivision 3. This section is effective for Anoka county upon approval by the Anoka county board and compliance with Minnesota Statutes, section 645.021, subdivision 3."

Page 12, line 35, delete "14" and insert "12"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "287.06;"

Page 1, line 8, delete "1" and insert "2"

Page 1, line 9, delete "subdivisions 3 and 8" and insert "subdivision 3"

Page 1, line 10, delete "chapter" and insert "chapters 462C and" and delete "; repealing"

Page 1, line 11, delete everything before the period

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. 1631, 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 1990, sections 2.722, subdivision 1, and by adding a subdivision; 3.885, subdivisions 3 and 6; 8.06; 14.07, subdivisions 1 and 2; 14.08; 14.26; 15.191, subdivision 1; 15.50, subdivision 3; 15A.081, subdivision 1; 16A.27, subdivision 5; 16A.45, subdivision 1; 16A.641, subdivision 3; 16A.662, subdivision 4; 16A.672, subdivision 9; 16A.69, by adding a subdivision; 16A.721, subdivision 1; 16B.24, subdivisions 5 and 6; 16B.36, subdivision 1; 16B.41, subdivision 2, and by adding a subdivision; 16B.465, subdivision 4; 16B.48, subdivision 2; 17.49, subdivision 1; 62D.122; 62J.02, subdivisions 2 and 3; 79.34, subdivision 1; 103B.311, subdivision 7; 103B.315, subdivision 5; 103F.761, subdivision 1; 103H.101, subdivision 4; 103H.175, subdivisions 1 and 2; 115A.072, subdivision 1; 116C.03, subdivisions 2, 4, and 5; 116C.712, subdivisions 3 and 5; 116J.8765, by adding a subdivision; 116L.03, subdivisions 1 and 2; 124C.03, subdivisions 2, 3, 8, 9, 10, 12, 14, 15, and 16; 126A.02, subdivisions 1 and 2; 126A.03; 128C.12, subdivision 1; 138.17, subdivision 1; 144.70, subdivision 2; 144A.071, subdivision

5; 145.926, subdivisions 1, 4, 5, 7, and 8; 145A.02, subdivision 16; 145A.09, subdivision 6; 160.276, by adding a subdivision; 176A.11; 214.141; 256H.25, subdivision 1; 268.361, subdivision 3; 271.06, subdivision 4; 271.19; 275.14; 275.51, subdivision 6; 275.54, subdivision 3; 299A.30, subdivision 2; 299A.31, subdivision 1; 299A.40, subdivision 4; 356.215, subdivisions 4d and 4g; 357.24; 363.121; 368.01, subdivision 1a; 373.40, subdivision 1; 402.045; 422A.05, by adding subdivisions; 422A.101; 422A.17; 422A.23, subdivision 2; 462.384, subdivision 7; 462.396, subdivision 2; 466A.05, subdivision 1; 469.203, subdivision 4; 469.207, subdivisions 1 and 2; 473.156, subdivision 1; 474A.03, by adding a subdivision; 477A.011, subdivisions 3 and 3a; 477A.014, subdivision 4; 480.181, by adding a subdivision; 480.24, subdivision 3; 480.242, subdivision 2 and by adding a subdivision; 481.10; 504.34, subdivisions 5 and 6; 590.05; 593.48; 609.101, subdivision 1; 611.14; 611.18; 611.25, subdivision 1; 611.26, subdivision 6, and by adding subdivisions; 611.27, subdivisions 1 and 4; 626.861, by adding a subdivision; 643.29, subdivision 1; Laws 1989, chapter 335, article 1, section 7; article 3, section 44, as amended; and Laws 1990, chapter 610, article 1, section 27; proposing coding for new law in Minnesota Statutes, chapters 4; 7; 16A; 16B; 43A; 116J; 270; 356; and 471; repealing Minnesota Statutes 1990, sections 3C.035, subdivision 2; 3C.056; 8.15; 14.32, subdivision 2; 40A.02, subdivision 2; 40A.08; 116K.01; 116K.02; 116K.03; 116K.04; 116K.05; 116K.06; 116K.07; 116K.08; 116K.09; 116K.10; 116K.11; 116K.12; 116K.13; 116K.14; 144.861; 144.874, subdivision 7; 480.250; 480.252; 480.254; 480.256; 611.215, subdivision 4; 611.261; 611.28; 611.29; Laws 1989, chapter 335, article 3, section 54, as amended; and Laws 1990, chapter 604, article 9, section 14.

Reported the same back with the following amendments:

Page 13, line 18, after "location" insert ", preferably"

Page 13, line 20, delete "the"

Page 13, line 23, delete "Effective"

Page 13, delete lines 24 to 33

Page 13, line 34, delete "the governor."

Page 13, line 57, delete the first "\$783,049" and insert "\$777,946" and delete the second "\$783,049" and insert "\$780,497"

Page 13, lines 60 and 61, delete "\$1,000,000" and insert "\$800,000"

Page 14, line 14, delete the first "\$181,815" and insert "\$134,315" and delete the second "\$181,815" and insert "\$134,315"

Page 14, after line 46, insert:

“State agencies directly involved in furnishing information or rendering services to the public, and that serve a substantial number of non-English-speaking people shall report on their progress in meeting the requirements in *Minnesota Statutes*, section 15.441, and make recommendations for improving services to non-English-speaking people. The report and recommendations must be submitted to the state government divisions of the house appropriations and senate finance committees by February 1, 1992.”

Page 18, delete lines 52 to 55

Page 21, line 1, delete “\$4,767,000” and insert “\$4,367,000”

Page 21, line 2, delete “\$5,267,000” and insert “\$4,867,000”

Page 21, line 4, delete “\$5,404,000” and insert “\$5,004,000”

Page 21, line 5, delete “\$3,504,000” and insert “\$3,104,000”

Page 21, lines 15 and 16, delete “\$2,691,000” and insert “\$2,291,000”

Page 24, lines 52 and 53, delete “\$500,000” and insert “\$150,000”

Page 25, delete lines 48 to 52

Page 26, delete lines 1 and 2

Pages 54 to 56, delete section 73

Pages 91 and 92, delete section 118

Page 94, delete lines 23 to 25

Renumber the sections in article 1 in sequence

Correct internal references

Adjust the totals accordingly

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. 833, 1072, 1420 and 1631 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 86, 449, 861 and 1231 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Winter and Skoglund introduced:

H. F. No. 1678, A bill for an act relating to commerce; regulating mortgage payment services; requiring a license and bond; prescribing the duties of the commissioner; establishing fees; proposing coding for new law as Minnesota Statutes, chapter 82C.

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

Frederick introduced:

H. F. No. 1679, A bill for an act relating to state parks; authorizing issuance of special permits to organized and supervised youth groups; amending Minnesota Statutes 1990, section 85.053, by adding a subdivision.

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

Skoglund, Winter, Carruthers, Knickerbocker and Orfield introduced:

H. F. No. 1680, A bill for an act relating to financial institutions; regulating bank charters, the purchase and sale of property, relocations, loans, detached facilities, capital and surplus requirements, and clerical services; regulating the report and audit schedules and account insurance of credit unions; regulating business changes of industrial loan and thrifts; regulating business changes, license requirements, loan security, and interest rates of regulated lenders; providing special corporate voting and notice provisions for banking corporations; amending Minnesota Statutes 1990, sections 46.041, subdivision 4; 46.044; 46.047, subdivision 2; 46.048, subdivision 3; 46.131, subdivision 4; 47.10; 47.101, subdivision 3; 47.20, subdivisions 2, 4a, and 5; 47.52; 47.54; 47.55; 48.02; 48.89, subdivision 5; 49.34, subdivision 2; 52.06, subdivision 1; 52.24, subdivision 1; 53.03, subdivision 5; 56.04; 56.07; 56.12; 56.125, subdivision 2; 56.131, subdivision 4; 300.23; 300.52, subdivision 1; repealing Minnesota Statutes 1990, section 48.03, subdivisions 4 and 5.

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

Skoglund, Winter, Lourey, Carruthers and Knickerbocker introduced:

H. F. No. 1681, A bill for an act relating to commerce; regulating service of process on certain corporations; carrying out the intent of the legislature to make uniform the statutory service of process provisions under the jurisdiction of the department of commerce; regulating insurance agent licensing and education; regulating conversion privileges on accident and health policies; modifying coverage for diagnostic procedures for cancer; regulating crop hail adjusters; making various technical changes; amending Minnesota Statutes 1990, sections 48.185, subdivision 7; 60A.17, subdivision 1a; 60A.1701, subdivisions 3 and 7; 60A.19, subdivision 4; 60A.21, subdivision 2; 60D.02, subdivision 8; 62A.21, subdivision 2b; 62A.30, subdivision 1; 62A.54; 62E.16; 64B.35, subdivision 2; 71A.02, subdivision 3; 72A.22, subdivision 5; 72A.37, subdivision 2; 72A.43, subdivision 2; 72B.02, by adding a subdivision; 72B.03, subdivision 2; 72B.04, subdivision 6; 80A.27, subdivisions 7 and 8; 80C.20; 82.31, subdivision 3; 82A.22, subdivisions 1 and 2; 82B.15, subdivision 3; 83.39, subdivisions 1 and 2; and 543.08; repealing Minnesota Statutes 1990, section 65B.70.

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

Segal introduced:

H. F. No. 1682, A bill for an act relating to insurance; accident and health; regulating outpatient mental health services; amending Minnesota Statutes 1990, sections 62A.152 and 62D.102.

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

HOUSE ADVISORIES

The following House Advisories were introduced:

Kalis; Anderson, I.; Ogren; Garcia and Lasley introduced:

H. A. No. 21, A proposal to study user financing of municipal streets and roads.

The advisory was referred to the Committee on Transportation.

Kalis; Anderson, I.; Garcia; Wagenius and Lieder introduced:

H. A. No. 22, A proposal to study light rail transit.

The advisory was referred to the Committee on Transportation.

Begich introduced:

H. A. No. 23, A proposal for study of the Minnesota extension service.

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

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. 375, A bill for an act relating to marriage; providing for solemnization of marriages by certain court officers; amending Minnesota Statutes 1990, section 517.04.

H. F. No. 1208, A bill for an act relating to game and fish; extending the date by which fish houses and dark houses must be removed from certain state waters; amending Minnesota Statutes 1990, section 97C.355, subdivision 7.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1396, A bill for an act relating to local government; allowing Pine county to transfer money from the county welfare fund to the general fund to support a hospital.

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. 1455, A bill for an act relating to the Minneapolis park and recreation board; providing for two members appointed by the Minneapolis park and recreation board on the Minneapolis reapportionment commission; establishing standards for park board redistricting.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Jefferson moved that the House concur in the Senate amendments to H. F. No. 1455 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1455, A bill for an act relating to the Minneapolis park and recreation board; providing for two members appointed by the Minneapolis park and recreation board on the Minneapolis reapportionment commission; establishing standards for park board redistricting.

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

The question was taken on the repassage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kelso	Ogren	Segal
Anderson, I.	Garcia	Kinkel	Olsen, S.	Simoneau
Anderson, R.	Girard	Knickerbocker	Olson, E.	Skoglund
Anderson, R. H.	Goodno	Koppendrayner	Olson, K.	Smith
Battaglia	Greenfield	Krinkie	Omann	Solberg
Bauerly	Gruenes	Krueger	Onnen	Sparby
Beard	Gutknecht	Lasley	Orenstein	Stanius
Begich	Hanson	Leppik	Orfield	Steensma
Bertram	Hartle	Lieder	Osthoff	Sviggum
Bettermann	Hasskamp	Limmer	Ostrom	Swenson
Blatz	Haukoos	Long	Ozment	Thompson
Bodahl	Hausman	Lourey	Pauly	Tompkins
Boo	Heir	Lynch	Pellow	Trimble
Brown	Henry	Macklin	Pelowski	Tunheim
Carlson	Hufnagle	Mariani	Peterson	Uphus
Carruthers	Hugoson	Marsh	Pugh	Valento
Clark	Jacobs	McEachern	Reding	Vellenga
Cooper	Janezich	McGuire	Rest	Wagenius
Dauner	Jaros	McPherson	Rice	Waltman
Davids	Jefferson	Milbert	Rodosovich	Weaver
Dawkins	Jennings	Morrison	Rukavina	Wejzman
Dempsey	Johnson, A.	Munger	Runbeck	Welker
Dille	Johnson, R.	Murphy	Schafer	Welle
Dorn	Johnson, V.	Nelson, S.	Scheid	Wenzel
Erhardt	Kahn	Newinski	Schreiber	Winter
Frederick	Kalis	O'Connor	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. 1315, 837, 1034, 268, 691 and 899.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1315, A bill for an act relating to commerce; real estate appraisers; amending Minnesota Statutes 1990, sections 82B.02, subdivisions 8 and 12; 82B.05, subdivision 1; 82B.11; 82B.13, subdivision 1, and by adding subdivisions; 82B.14; 82B.15, subdivision 3; 82B.17; 82B.18; and 82B.19, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 82B; repealing Minnesota Statutes 1990, sections 82B.05, subdivision 2; 82B.13, subdivision 2; and 82B.225.

The bill was read for the first time.

Morrison moved that S. F. No. 1315 and H. F. No. 1492, now on

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

S. F. No. 837, A bill for an act relating to natural resources; amending certain provisions concerning mineral exploration, exploratory boring, and data acquired in connection therewith; amending Minnesota Statutes 1990, sections 13.793, subdivision 2; 103I.601, subdivision 4; and 103I.605, subdivision 4.

The bill was read for the first time.

Hausman moved that S. F. No. 837 and H. F. No. 1173, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1034, A bill for an act relating to civil actions; increasing penalties for retaliation by employers under the child abuse and vulnerable adults reporting acts; amending Minnesota Statutes 1990, sections 626.556, subdivision 4a; and 626.557, subdivision 17.

The bill was read for the first time.

Segal moved that S. F. No. 1034 and H. F. No. 1099, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 268, A bill for an act relating to human rights; lengthening the statute of limitations for human rights act violations; amending Minnesota Statutes 1990, sections 363.06, subdivision 3; and 363.116.

The bill was read for the first time.

Hausman moved that S. F. No. 268 and H. F. No. 1170, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 691, A bill for an act relating to probate; authorizing the court to set aside certain transactions made prior to establishment of a guardianship or conservatorship; amending Minnesota Statutes 1990, section 525.56, by adding a subdivision.

The bill was read for the first time.

Pugh moved that S. F. No. 691 and H. F. No. 1473, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 899, A bill for an act relating to torts; providing immunity against tort liability for claims arising out of the use of highways that provide access to timber; amending Minnesota Statutes 1990, sections 3.736, subdivision 3; and 466.03, by adding a subdivision.

The bill was read for the first time.

Solberg moved that S. F. No. 899 and H. F. No. 916, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Simoneau requested immediate consideration of H. F. No. 719.

H. F. No. 719 was reported to the House.

The Speaker called Krueger to the Chair.

Greenfield moved to amend H. F. No. 719, the second engrossment, as follows:

Page 3, line 12, delete "\$1,788,615,000" and insert "\$1,794,839,000"; delete "\$1,897,735,000" and insert "\$1,903,960,000"; delete "\$3,686,350,000" and insert "\$3,698,799,000"

Page 3, line 14, delete "1,814,000" and insert "1,726,000"; delete "1,638,000" and insert "1,546,000"; delete "3,452,000" and insert "3,272,000"

Page 3, line 18, delete "1,792,084,000" and insert "1,798,220,000"; delete "1,901,027,000" and insert "1,907,160,000"; delete "3,693,111,000" and insert "3,705,380,000"

Page 3, line 27, delete "1,496,946,000" and insert "1,503,145,000"; delete "1,597,525,000" and insert "1,603,724,000"

Page 13, line 53, delete "813,451,000" and insert "819,650,000"; delete "912,430,000" and insert "918,629,000"

Page 13, line 59, delete "773,991,000" and insert "780,190,000"; delete "865,916,000" and insert "872,115,000"

Page 26, line 9, delete both occurrences of "406,000" and insert "410,000" in both instances

Page 26, delete lines 15 and 16

Page 26, line 18, delete "213,000" and insert "215,000"; delete "220,000" and insert "238,000"

Page 26, delete lines 19 and 20

Page 26, delete lines 34 and 35

Page 26, delete lines 37 and 38

Page 91, line 25, delete "\$230" and insert "\$258"

Page 91, line 29, delete "7.2" and insert "9.2"

Page 93, line 10, delete "66" and insert "74"

Page 93, line 19, delete "7.2" and insert "9.2"

Page 448, line 37, delete "8" and "10" and insert "7" and "9"

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

Sviggum and Dauner offered an amendment to H. F. No. 719, the second engrossment, as amended.

Greenfield requested a division of the Sviggum and Dauner amendment to H. F. No. 719, the second engrossment, as amended.

The first portion of the Sviggum and Dauner amendment to H. F. No. 719, the second engrossment, as amended, reads as follows:

Page 4, after line 60, insert:

"In submitting the agency budget under section 16A.10, subdivision 2, for the biennium beginning July 1, 1993, the commissioner of human services shall include a line item amount that is reserved for increasing staff salaries, wages, benefits, and training of person-

nel below top management, for the purpose of reducing the turnover of staff and increasing the quality of community-based residential services, including intermediate care facilities for persons with mental retardation and related conditions, semi-independent living services, home and community-based waived services, developmental achievement centers, community support programs, and residential facilities for persons with mental illness."

A roll call was requested and properly seconded.

The question was taken on the first portion of the Sviggum and Dauner amendment and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Ogren	Segal
Anderson, I.	Frerichs	Knickerbocker	Olsen, S.	Simoneau
Anderson, R.	Garcia	Koppendrayner	Olson, E.	Skoglund
Anderson, R. H.	Girard	Krinkie	Olson, K.	Smith
Battaglia	Goodno	Krueger	Omann	Solberg
Bauerly	Greenfield	Lasley	Onnen	Sparby
Beard	Gruenes	Leppik	Orenstein	Stanius
Begich	Gutknecht	Lieder	Orfield	Steensma
Bertram	Hanson	Limmer	Osthoff	Sviggum
Bettermann	Hartle	Long	Ostrom	Swenson
Bishop	Hasskamp	Lourey	Ozment	Thompson
Blatz	Haukoos	Lynch	Pauly	Tompkins
Bodahl	Hausman	Macklin	Pellow	Trimble
Boo	Heir	Mariani	Pelowski	Tunheim
Brown	Henry	Marsh	Peterson	Uphus
Carlson	Hufnagle	McEachern	Pugh	Valento
Carruthers	Hugoson	McGuire	Reding	Vellenga
Clark	Jacobs	McPherson	Rest	Wagenius
Cooper	Jaros	Milbert	Rice	Waltman
Dauner	Jefferson	Morrison	Rodosovich	Weaver
Davids	Jennings	Munger	Rukavina	Wejcman
Dawkins	Johnson, A.	Murphy	Runbeck	Welker
Dempsey	Johnson, R.	Nelson, K.	Schafer	Welle
Dille	Johnson, V.	Nelson, S.	Scheid	Wenzel
Dorn	Kahn	Newinski	Schreiber	Winter
Erhardt	Kalis	O'Connor	Seaberg	Spk. Vanasek

The motion prevailed and the first portion of the Sviggum and Dauner amendment was adopted.

The second portion of the Sviggum and Dauner amendment to H. F. No. 719, the second engrossment, as amended, reads as follows:

Page 15, after line 36, insert:

"The appropriation to the commissioner of human services in article 1, section 2, for the work readiness program is reduced by 18.5 million dollars and that sum is appropriated for purposes of providing salary adjustments under sections 245.465, subdivision 2; 252.24, subdivision 5; 252.275, subdivision 9; 256B.491, subdivision 3; 256B.501, subdivision 12; and 268A.06, subdivision 3."

Page 17, after line 41, insert:

"In submitting the agency budget under section 16A.10, subdivision 2, for the biennium beginning July 1, 1993, the commissioner of jobs and training shall include a line item amount that is reserved for increasing staff salaries, wages, benefits, and training of personnel below top management, for the purpose of reducing the turnover of staff and increasing the quality of rehabilitation services."

Page 123, after line 34, insert:

"Sec. 55. Minnesota Statutes 1990, section 268A.06, is amended by adding a subdivision to read:

Subd. 3. [REHABILITATION FACILITIES: SALARY ADJUSTMENTS; RATES.] The commissioner shall annually increase rates, as of July 1, 1991, for each rehabilitation facility by a salary adjustment figured by multiplying the total salaries, payroll taxes, and fringe benefits for personnel below top management by an amount equal to the cost of living as estimated by the statewide composite index using Data Resources, Inc., forecast for change in the Consumer Price Index-All Items (U.S. city average) (CPI-U), plus an additional four percent as of July, 1992. All increased revenue produced by this calculation must be used for salary and related costs of personnel in positions below top management."

Page 131, after line 12, insert:

"Sec. 2. Minnesota Statutes 1990, section 245.465, is amended to read:

245.465 [DUTIES OF COUNTY BOARD.]

Subdivision 1. The county board in each county shall use its share of mental health and community social service act funds allocated by the commissioner according to a biennial local mental health service proposal approved by the commissioner. The county board must:

(1) develop and coordinate a system of affordable and locally available adult mental health services in accordance with sections 245.461 to 245.486;

(2) provide for case management services to adults with serious and persistent mental illness in accordance with sections 245.462, subdivisions 3 and 4; 245.4711; and 245.486;

(3) provide for screening of adults specified in section 245.476 upon admission to a residential treatment facility or acute care hospital inpatient, or informal admission to a regional treatment center;

(4) prudently administer grants and purchase-of-service contracts that the county board determines are necessary to fulfill its responsibilities under sections 245.461 to 245.486; and

(5) assure that mental health professionals, mental health practitioners, and case managers employed by or under contract with the county to provide mental health services have experience and training in working with adults with mental illness.

Subd. 2. [RESIDENTIAL AND COMMUNITY SUPPORT PROGRAMS FOR PERSONS WITH MENTAL ILLNESS: SALARY ADJUSTMENTS PER DIEM.] In establishing, operating, or contracting for the provision of programs licensed under Minnesota Rules, parts 9520.0500 to 9520.0690 and programs funded under Minnesota Rules, parts 9535.0100 to 9535.1600, beginning in July 1, 1991, a county board must contract at rates to reflect increased salaries by multiplying the total salaries, payroll taxes and fringe benefits related to personnel below top management by an amount equal to the expected change in cost of living as estimated by the statewide composite index using Data Resources, Inc., forecast for change in the Consumer Price Index-All Items (U.S. city average) (CPI-U), plus five percent as of July 1, 1992, and then dividing the resulting amount by the contracted total number of service units of service. County boards shall use the indices as forecasted by Data Resources, Inc., in the first quarter of the calendar year in which the rate year begins. These increases in rates shall continue in future rate years. Counties shall develop a mechanism to assure that all increased revenue produced by this calculation must be used for salary and related costs of personnel in positions below top management."

"Sec. 3. Minnesota Statutes 1990, section 252.24, is amended by adding a subdivision to read:

Subd. 5. [DAC'S: SALARY ADJUSTMENTS PER DIEM.] In contracting with a developmental achievement center, beginning in July 1, 1991, a county board must contract at rates to reflect increased salaries by multiplying the total salaries, payroll taxes and fringe benefits related to personnel below top management by an amount equal to the expected change in cost of living as estimated by the statewide composite index using Data Resources, Inc., forecast for change in the Consumer Price Index-All Items (U.S. city average) (CPI-U), plus five percent as of July 1, 1992, and then dividing the resulting amount by the contracted total number of days of service. These increases in rates shall continue in future rate years. Counties shall use the indices as forecasted by Data Resources, Inc. in the fourth quarter of the previous calendar year. Counties shall develop a mechanism to assure that all increased revenue produced by this calculation must be used for salary and related costs of personnel in positions below top management. The state shall provide counties with proper reimbursement to cover these increased costs.

Sec. 4. Minnesota Statutes 1990, 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, beginning in January 1, 1992, a county board must contract at rates to reflect increased salaries by multiplying the total salaries, payroll taxes and fringe benefits related to personnel below top management by an amount equal to the expected change in cost of living as estimated by the statewide composite index using Data Resources, Inc., forecast for change in the Consumer Price Index-All Items (U.S. city average) (CPI-U), plus three percent as of January 1, 1992 and three percent as of January 1, 1993, and then dividing the resulting amount by the contracted total number of service units of service. These increases in rates shall continue in future rate years. Counties shall use the indices as forecasted by Data Resources, Inc. in the first quarter of the calendar year in which the rate year begins. Counties shall develop a mechanism to assure that all increased revenue produced by this calculation must be used for salary and related costs of personnel in positions below top management. The state shall provide counties with proper reimbursement to cover these increased costs."

Page 178, after line 10, insert:

"Sec. 51. Minnesota Statutes 1990, section 256B.491, is amended by adding a subdivision to read:

Subd. 3. [WAIVERED SERVICES: SALARY ADJUSTMENTS;

RATES.] In establishing, operating, or contracting for the provision of services covered under the home and community-based waiver, beginning in January 1, 1992, a county board must contract at rates to reflect increased salaries by multiplying the total salaries, payroll taxes and fringe benefits related to personnel below top management by an amount equal to the expected change in cost of living as estimated by the statewide composite index using Data Resources, Inc., forecast for change in the Consumer Price Index-All Items (U.S. city average) (CPI-U), plus five percent as of January 1, 1993, and then dividing the resulting amount by the contracted total number of service units of service. These increases in rates shall continue in future rate years. Counties shall use the indices as forecasted by Data Resources, Inc. in the first quarter of the calendar year in which the rate year begins. Counties shall develop a mechanism to assure that all increased revenue produced by this calculation must be used for salary and related costs of personnel in positions below top management. The state shall provide counties with proper reimbursement to cover these increased costs."

Page 187, after line 1, insert:

"Sec. 55. Minnesota Statutes 1990, section 256B.501, is amended by adding a subdivision to read:

Subd. 12. [ICF/MR SALARY ADJUSTMENTS.] For the rate period beginning January 1, 1992, and ending September 30, 1993, and for the rate period beginning January 1, 1993, and ending September 30, 1994, the commissioner shall add the appropriate salary adjustment cost per diem calculated in paragraphs (a) to (c) to the total operating cost payment rate of each facility. The salary adjustment cost per diem must be determined as follows:

(a) [COMPUTATION AND REVIEW GUIDELINES.] Except as provided in paragraph (d), a state-operated community service, and any facility whose payment rates are governed by closure agreements, receivership agreements, or Minnesota Rules, part 9553.0075, are not eligible for salary adjustments otherwise granted under this subdivision. For purposes of the salary adjustment per diem computation and reviews in this subdivision, the term "salary adjustment cost" means the facility's allowable program operating cost category employee training expenses, and the facility's allowable salaries, payroll taxes and fringe benefits. The term does not include these same salary related costs for both administrative or central office employees.

For the purpose of determining the amount of salary adjustment to be granted under this subdivision, the commissioner must use the reporting years ending December 31, 1990, and December 31, 1991 as the base year for the salary adjustment per diem computations. For the purpose of each year's salary adjustment cost review, the commissioner must use the facility's salary adjustment cost for the

reporting year ending December 31, 1991, as the base year. If the base year and the reporting year subject to review include salary cost reclassifications made by the department, the commissioner must reconcile those differences before completing the salary adjustment per diem review.

(b) [AVERAGE HOURLY WAGE COMPUTATION.] For each eligible facility, the commissioner must compute the facility average hourly wage. The computation of the facility average hourly wage shall be equal to the facility's salary adjustment costs divided by the total compensated hours for those same employees. The commissioner shall array the facility average hourly wage computations. Once the commissioner has established the array, the array must not be reestablished.

(c) [SALARY ADJUSTMENT PER DIEM COMPUTATIONS.] The salary adjustment cost per diem shall be equal to the computation in clause (1) or clause (2), as appropriate.

(1) For the rate period beginning January 1, 1992, a facility whose average hourly wage computation is in the lowest 30 percent of the array shall receive a salary adjustment cost per diem equal to its salary adjustment costs multiplied by 6.5 percent, and then divided by the facility's resident days. For the facilities not in the lowest 30 percent of the array, their salary adjustment cost per diem shall equal to their salary adjustment costs multiplied by five percent, and then divided by the facility's resident days.

(2) For the rate period beginning January 1, 1992, each facility shall receive a salary adjustment cost per diem equal to its salary adjustment costs multiplied by 5 percent, and then divided by the facility's resident days.

(d) [ADJUSTMENTS FOR NEW FACILITIES.] For newly constructed or newly established facilities, except for state-operated community services, whose payment rates are governed by Minnesota Rules, part 9553.0075, if the settle-up cost report includes a reporting year which is subject to review under this subdivision, the commissioner shall adjust the rule provision governing the maximum settle-up payment rate by increasing the .4166 percent for each full month of the settle-up cost report to .7083. For any subsequent rate period which is authorized for salary adjustments under this subdivision, the commissioner shall compute salary adjustment cost per diems by annualizing the salary adjustment costs for the settle-up cost report period and treat that period as the base year for purposes of reviewing salary adjustment cost per diems.

(e) [SALARY ADJUSTMENT PER DIEM REVIEW.] The commissioner shall review the implementation of the salary adjustments on a per diem basis. For reporting years ending December 31, 1992,

December 31, 1993, and December 31, 1994, the commissioner must review and determine the amount of change in salary adjustment costs in each of the above reporting years over the base year. In the case of each review, the commissioner must inflate the base year's salary adjustment costs by the cumulative percentage increase granted in paragraph (c), plus three percent or the lessor for each of the three years reviewed. The commissioner must then compare each facility's salary adjustment costs for the reporting year divided by the facility's resident days for the base year. If the facility has had a one-time program operating cost adjustment settle-up during any of the reporting years subject to review, the commissioner must remove the per diem effect of the one-time program adjustment before completing the review and per diem comparison.

The review and per diem comparison must be done by the commissioner each year following the reporting years subject to review. If the salary adjustment cost per diem for the reporting year being reviewed is less than the base year's inflated salary adjustment cost per diem, the commissioner must recover the difference within 120 days after the date of written notice. The amount of the recovery shall be equal to the per diem difference multiplied by the facility's resident days in the reporting year being reviewed. Written notice of the amount subject to recovery must be given by the commissioner following each reporting year reviewed. Interest charges must be assessed by the commissioner after the 120th day of that notice at the same interest rate the commissioner assesses for other balance outstanding."

Page 240, delete section 29 and insert:

"Sec. 29. Minnesota Statutes 1990, section 256D.051, subdivision 1, is amended to read:

Subdivision 1. [WORK REGISTRATION.] (a) A person, family, or married couple Except as provided in this subdivision, persons who are residents of the state and whose income and resources are less than the standard of assistance established by the commissioner, but who are not categorically eligible under section 256D.05, subdivision 1, are eligible for the work readiness program for a maximum period of six consecutive calendar months during any 12 consecutive calendar month period, subject to the provisions of subdivision 3. The person's six-month eligibility period begins on the first day of the calendar month following the date of application for assistance or the date all eligibility factors are met, whichever is later, and ends on the last day of the third consecutive calendar month, whether or not the person has received benefits for all three months. The person is not eligible to receive work readiness benefits during the six calendar months immediately following the six-month eligibility period; however, the person may voluntarily continue to participate in work readiness services for up to three additional consecutive months immediately following the last month of

benefits to complete the provisions of the person's employability development plan.

(b) Persons, families, and married couples who are not state residents but who are otherwise eligible for work readiness assistance may receive emergency assistance to meet emergency needs.

(c) Notwithstanding the provisions of sections 256.045 and 256D.10, during the pendency of an appeal, work readiness payments and services shall not continue to a person who appeals the termination of benefits due to exhaustion of the period of eligibility specified in paragraph (a).

Sec. 30. Minnesota Statutes 1990, section 256D.051, subdivision 1a, is amended to read:

Subd. 1a. [WORK READINESS PAYMENTS.] (a) Except as provided in this subdivision, grants of work readiness shall be determined using the standards of assistance, exclusions, disregards, and procedures which are used in the general assistance program. Work readiness shall be granted in an amount that, when added to the nonexempt income actually available to the assistance unit, the total amount equals the applicable standard of assistance.

(b) 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. Except as provided in section 256D.05, subdivision 6, work readiness assistance must be paid on the first day of each month.

At the time the county agency notifies the assistance unit that it is eligible for family general assistance or work readiness assistance and on the first day of each month of services, the county agency must inform all mandatory registrants in the assistance unit that they must attend an orientation within 30 days comply with all work readiness requirements that month, and that work readiness eligibility will end at the end of the month in which the orientation is scheduled unless the registrants attend orientation comply with work readiness requirements before the end of the month. A registrant who fails, without good cause, to comply with require-

ments during this time period, including attendance at orientation, will lose family general assistance or work readiness eligibility without notice under section 256D.101, subdivision 1, paragraph (b). The registrant shall, however, be sent a notice, ~~on or before the date that~~ no later than five days after eligibility ends, which informs the registrant that family general assistance or work readiness eligibility has ended in accordance with this section for failure to comply with work readiness requirements. The notice shall set forth the factual basis for such determination and ~~advise~~ advise 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~~ complies with the work readiness requirements that had not been complied with, or demonstrates that the person had good cause for failing to comply with the requirement. The time during which the person is ineligible under these provisions is counted as part of the person's period of eligibility under subdivision 1.

(c) Notwithstanding the provisions of section 256D.01, subdivision 1a, paragraph (d), when one member of a married couple has exhausted the six months of work readiness eligibility in a 12-month period and the other member has one or more months of eligibility remaining within the same 12-month period, the standard of assistance applicable to the member who remains eligible is the first adult standard in the aid to families with dependent children program.

(d) Notwithstanding sections 256.045 and 256D.10, during the pendency of an appeal, work readiness payments and services shall not continue to a person who appeals the termination of benefits under paragraph (b).

Sec. 31. Minnesota Statutes 1990, section 256D.051, subdivision 3a, is amended to read:

Subd. 3a. [PERSONS REQUIRED TO REGISTER FOR AND PARTICIPATE IN THE WORK READINESS PROGRAM.] Each person in a work readiness assistance unit who is 18 years old or older must register for and participate in the work readiness program. A child person in the assistance unit who is at least 16 years old but less than 19 years old and who is not a full-time secondary school student is required to register and participate. A student who was enrolled as a full-time student during the last school term must be considered a full-time student during summers and school holidays. ~~If an assistance unit includes children under age six and suitable child care is not available at no cost to the family, one adult member of the assistance unit is exempt from registration for and participation in the work readiness program. The county agency shall designate the adult who must register. The registrant must be the adult who is the principal wage earner,~~

having earned the greater of the incomes, except for income received in-kind, during the 24 months immediately preceding the month of application for assistance. When there are no earnings or when earnings are identical for each parent, the applicant must designate the principal wage earner, and that designation must not be transferred after program eligibility is determined as long as assistance continues without interruption.

Sec. 32. Minnesota Statutes 1990, section 256D.051, subdivision 6, is amended to read:

Subd. 6. [SERVICE COSTS.] The commissioner shall reimburse 92 percent of county agency expenditures for providing work readiness services including direct participation expenses and administrative costs, except as provided in section 256.017; and reimbursement from the state appropriation must not exceed an average of \$260 each year for each registrant who has completed an employment development plan for direct expenses incurred by the registrant for transportation, clothes, and tools necessary for employment. 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. State work readiness funds shall be used only to pay the county agency's actual costs of providing participant support services, direct program services, and program administrative costs for persons who participate in work readiness services. Beginning January 1, 1991, the average reimbursable cost per recipient must not exceed \$283 annually. Beginning July 1, 1991, the average annual reimbursable cost for providing work readiness services to a recipient must not exceed \$10 for an orientation, \$50 for a written employability assessment, and \$223 for necessary recipient support services such as tools and clothing necessary for employment and transportation to participate in work readiness services. If the entire \$223 is not needed for recipient support services, the balance may be used for completion of a written employability plan and to pay for all services and costs necessary to implement the plan, including the costs of training, employment search assistance, placement, work experience, on-the-job training, other appropriate activities, and the administrative and program costs incurred in providing these services. Beginning July 1, 1991, the state will reimburse counties, up to the limit of state appropriations, according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision on or after January 1, 1991. Payment to counties under this subdivision is subject to the provisions of section 256.017. After paying direct expenses as needed by individual registrants, the county agency may use any remaining money to provide additional services as needed by any registrant including employability assessments and employability development plans, education, orientation, employment search assistance, placement, other work experience, on-the-job training, and other appropriate

activities and the administrative costs incurred providing these services.

Sec. 33. Minnesota Statutes 1990, section 256D.051, subdivision 8, is amended to read:

Subd. 8. [VOLUNTARY QUIT.] A person who is required to participate in work readiness services is not eligible for general assistance or 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 is required to participate in work readiness services and, without good cause, voluntarily quits suitable employment or refuses a legitimate offer of suitable employment while receiving general assistance or work readiness payments or services shall be terminated from the general assistance or work readiness program and disqualified for two months according to rules adopted by the commissioner as specified in subdivision 1a.

Sec. 34. Minnesota Statutes 1990, section 256D.052, subdivision 3, is amended to read:

Subd. 3. [SERVICES PROVIDED.] Within the limits of the state appropriation the county agency must provide child care and transportation to enable people to participate in literacy training under this section. The state shall reimburse county agencies for the costs of providing transportation under this section up to the amount of the state appropriation. Counties must make every effort to ensure that child care is available as needed by recipients who are pursuing literacy training.

Sec. 35. Minnesota Statutes 1990, section 256D.07, is amended to read:

256D.07 [TIME OF PAYMENT OF ASSISTANCE.]

An applicant for general assistance or general assistance medical care authorized by section 256D.03, subdivision 3, shall be deemed eligible if the application and the verification of the statement on that application demonstrate that the applicant is within the eligibility criteria established by sections 256D.01 to 256D.21 and any applicable rules of the commissioner. Any person requesting general assistance or general assistance medical care shall be permitted by the county agency to make an application for assistance as soon as administratively possible and in no event later than the fourth day following the date on which assistance is first requested, and no county agency shall require that a person requesting assistance appear at the offices of the county agency more than once prior to the date on which the person is permitted to make the application. The application shall be in writing in the manner and upon the form prescribed by the commissioner and attested to by the

oath of the applicant or in lieu thereof shall contain the following declaration which shall be signed by the applicant: "I declare that this application has been examined by me and to the best of my knowledge and belief is a true and correct statement of every material point." On the date that general assistance is first requested, the county agency shall inquire and determine whether the person requesting assistance is in immediate need of food, shelter, clothing, assistance for necessary transportation, or other emergency assistance pursuant to section 256D.06, subdivision 2. A person in need of emergency assistance shall be granted emergency assistance immediately, and necessary emergency assistance shall continue ~~until either the person is determined to be ineligible for general assistance or the first grant of general assistance is paid to the person for up to 30 days following the date of application.~~ A determination of an applicant's eligibility for general assistance shall be made by the county agency as soon as the required verifications are received by the county agency and in no event later than 30 days following the date that the application is made. Any verifications required of the applicant shall be reasonable, and the commissioner shall by rule establish reasonable verifications. General assistance shall be granted to an eligible applicant without the necessity of first securing action by the board of the county agency. The first month's grant must be computed to cover the time period starting with the date a signed application form is received by the county agency or from the date that the applicant meets all eligibility factors, whichever occurs later. ~~The first grant may be reduced by the amount of emergency general assistance provided to the applicant.~~

If upon verification and due investigation it appears that the applicant provided false information and the false information materially affected the applicant's eligibility for general assistance or general assistance medical care provided pursuant to section 256D.03, subdivision 3, or the amount of the applicant's general assistance grant, the county agency may refer the matter to the county attorney. The county attorney may commence a criminal prosecution or a civil action for the recovery of any general assistance wrongfully received, or both.

Sec. 36. Minnesota Statutes 1990, section 256D.10, is amended to read:

256D.10 [HEARINGS PRIOR TO REDUCTION; TERMINATION; SUSPENSION OF GENERAL ASSISTANCE GRANTS.]

No grant of general assistance except one made pursuant to ~~sections~~ section 256D.06, subdivision 2; 256D.051, subdivisions 1, paragraph (c), and 1a, paragraph (b); or 256D.08, subdivision 2, shall be reduced, terminated or suspended unless the recipient receives notice and is afforded an opportunity to be heard prior to any action by the county agency.

Nothing herein shall deprive a recipient of the right to full administrative and judicial review of an order or determination of a county agency as provided for in section 256.045 subsequent to any action taken by a county agency after a prior hearing.

Sec. 37. Minnesota Statutes 1990, section 256D.101, subdivision 1, is amended to read:

Subdivision 1. [NOTICE REQUIREMENTS.] (a) At the time a registrant is registered for the work readiness program, and at least every 30 days on the first day of each month of services after that, the county agency shall provide, in advance, a clear, written description of the specific tasks and assigned duties the registrant which all mandatory registrants must complete to receive general assistance or work readiness pay. The notice must explain that the registrant will be terminated from the work readiness program unless the registrant has completed the specific tasks and assigned duties. The notice must inform the registrant that at the end of the month if the registrant fails without good cause to comply with work readiness requirements more than once every six months, the registrant will be terminated from the work readiness program and disqualified from receiving assistance for one month if it is the registrant's first disqualification within the preceding six months, or for two months if the registrant has been previously disqualified within the preceding six months.

(b) If after the initial certification period the county agency determines that a registrant has failed to comply with work readiness requirements, the county agency shall notify the registrant of the determination. Notice must be hand delivered or mailed to the registrant within three days after the agency makes the determination but no later than the date work readiness pay was scheduled to be paid. For a recipient who has failed to provide the county agency with a mailing address, the recipient must be assigned a schedule by which a recipient is to visit the agency to pick up any notices. For a recipient without a mailing address, notices must be deemed delivered on the date of the registrant's next scheduled visit with the county agency. The notification shall be in writing and shall state the facts that support the county agency's determination. For the first time in a six-month period that the registrant has failed without good cause to comply with program requirements, the notification shall inform the registrant that the registrant may lose eligibility for work readiness pay and must specify the particular actions that must be taken by the registrant to achieve compliance and reinstate work readiness payments. The notice must state that the recipient must take the specified actions by a date certain, which must be at least five working days following the date the notification is mailed or delivered to the registrant; must explain the ramifications of the registrant's failure to take the required actions by the specified date; and must advise the registrant that the registrant may request and have a conference with the county

agency to discuss the notification. A registrant who fails without good cause to comply with requirements of the program more than once in a six-month period must be notified of termination.

Sec. 38. Minnesota Statutes 1990, section 256D.101, subdivision 3, is amended to read:

Subd. 3. [BENEFITS AFTER NOTIFICATION.] Assistance payments otherwise due to the registrant under section 256D.051 may not be paid after the notification required in subdivision 1 has been provided to the registrant unless, before the date stated in the notification, the registrant takes the specified action necessary to achieve compliance or, within five days after the effective date stated in the notice, files an appeal of the grant reduction, suspension, or termination. If, by the required date, the registrant does take the specified action necessary to achieve compliance, both the notification required by subdivision 1 and the notice required by subdivision 2 shall be canceled and all benefits due to the registrant shall be paid promptly. If, by the required date, the registrant files an appeal of the grant termination, benefits otherwise due to the registrant shall be continued pending the outcome of the appeal. An appeal of a proposed termination shall be brought under section 256.045, except that the timelines specified in this section shall apply, notwithstanding the requirements of section 256.045, subdivision 3. Appeals of proposed terminations from the work readiness program shall be heard within 30 days of the date that the appeal was filed."

Page 272, after line 13, insert:

"Sec. 63. [REPEALER; GENERAL ASSISTANCE WORK READINESS.]

Minnesota Statutes 1990, sections 256D.051, subdivisions 1b and 3c; 256D.052, subdivision 4; 256D.09, subdivision 4; and 256D.101, subdivision 2, are repealed."

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 Sviggum and Dauner amendment and the roll was called. There were 107 yeas and 22 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Johnson, V.	Newinski	Skoglund
Anderson, I.	Erhardt	Kalis	O'Connor	Smith
Anderson, R. H.	Frederick	Kelso	Olsen, S.	Solberg
Battaglia	Frerichs	Kinkel	Olsen, E.	Sparby
Bauerly	Garcia	Knickerbocker	Olsen, K.	Stanius
Beard	Girard	Koppendrayar	Omann	Steensma
Begich	Goodno	Krinkie	Onnen	Sviggum
Bertram	Gruenes	Krueger	Orfield	Swenson
Bettermann	Gutknecht	Lasley	Ostrom	Thompson
Bishop	Hanson	Leppik	Ozment	Tompkins
Blatz	Hartle	Lieder	Pauly	Tunheim
Bodahl	Hasskamp	Limmer	Pellow	Uphus
Boo	Haukoos	Lourey	Pelowski	Valento
Brown	Heir	Lynch	Peterson	Waltman
Carlson	Henry	Macklin	Pugh	Weaver
Carruthers	Hufnagle	Marsh	Reding	Welker
Cooper	Hugoson	McEachern	Rodosovich	Weile
Dauner	Jacobs	McGuire	Rukavina	Wenzel
Dauids	Janezich	McPherson	Runbeck	Winter
Dawkins	Jaros	Milbert	Schafer	
Dempsey	Jennings	Morrison	Schreiber	
Dille	Johnson, R.	Nelson, S.	Seaberg	

Those who voted in the negative were:

Anderson, R.	Johnson, A.	Ogren	Segal	Wejcman
Clark	Kahn	Orenstein	Simoneau	Spk. Vanasek
Greenfield	Long	Osthoff	Trimble	
Hausman	Mariani	Rice	Vellenga	
Jefferson	Nelson, K.	Scheid	Wagenius	

The motion prevailed and the second portion of the Sviggum and Dauner amendment was adopted.

Gruenes, Greenfield, Murphy and Dempsey moved to amend H. F. No. 719, the second engrossment, as amended, as follows:

Page 24, delete lines 36 to 43, and insert:

“The increased funding for family planning special project grants shall be awarded through the criteria established in Minnesota Rules. Notwithstanding any rule to the contrary, an organization shall not be excluded or reduced in priority for funding because the organization does not make available, directly or through referral, all methods of contraception for reasons of conscience. The commissioner of health shall develop procedures for establishing a conscience clause in the grant application process.”

The motion prevailed and the amendment was adopted.

Dille and Cooper moved to amend H. F. No. 719, the second engrossment, as amended, as follows:

Page 116, after line 22, insert:

"Sec. 49. Minnesota Statutes 1990, section 261.035, is amended to read:

261.035 [BURIAL AT EXPENSE OF COUNTY.]

When a person dies in any county without apparent means to provide for burial and without relatives of sufficient ability to procure the burial, the county board shall first investigate to determine whether the person who has died has contracted for any prepaid burial arrangements. If such arrangements have been made, the county shall authorize burial in accord with the written instructions of the deceased. If it is determined that the person did not leave sufficient means to defray the necessary expenses of burial, nor any relatives therein of sufficient ability to procure the burial, the county board shall cause a decent burial or cremation of the person's remains to be made at the expense of the county."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Kinkel moved to amend H. F. No. 719, the second engrossment, as amended, as follows:

Page 290, after line 24, insert:

"Sec. 29. Minnesota Statutes 1990, section 251.011, subdivision 3, is amended to read:

Subd. 3. [**AH-GWAH-CHING NURSING HOME CENTER.**] When tuberculosis treatment is discontinued at Ah-Gwah-Ching that facility may be used by the commissioner of human services for the care of geriatric patients, and shall be known as the Ah-Gwah-Ching Nursing Home Center."

Page 338, after line 3, insert:

“Sec. 56. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes is directed to change the words “Ah-Gwah-Ching Nursing Home” wherever they appear to “Ah-Gwah-Ching Center”.”

The motion prevailed and the amendment was adopted.

Lasley moved to amend H. F. No. 719, the second engrossment, as amended, as follows:

Page 154, after line 31, insert:

“Sec. 26. Minnesota Statutes 1990, section 256B.056, subdivision 5, is amended to read:

Subd. 5. [EXCESS INCOME.] A person who has excess income is eligible for medical assistance if the person has expenses for medical care that are more than the amount of the person's excess income, computed by deducting incurred medical expenses from the excess income to reduce the excess to the income standard specified in subdivision 4. The person shall elect to have the medical expenses deducted at the beginning of a one-month budget period or at the beginning of a six-month budget period. The commissioner shall seek applicable waivers from the Secretary of Health and Human Services to allow persons eligible for assistance on a spend-down basis under this subdivision to elect to pay the monthly spend-down amount to the local agency in order to maintain eligibility on a continuous basis for medical assistance and to simplify payment to health care providers. If the local agency has not received payment of the spend-down amount by the 15th day of the month, the recipient is ineligible for this option for the following month. The commissioner may seek a waiver of the requirement of the Social Security Act that all requirements be uniform statewide, to phase in this option over a six-month period.”

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

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

Frerichs moved to amend H. F. No. 719, the second engrossment, as amended, as follows:

Page 12, delete lines 58 to 68

Page 13, delete lines 1 to 27 and insert:

“Notwithstanding the provisions of sections 246.18, 246.60, any provisions of chapters 246, 254A, 254B, or any other law to the contrary, the commissioner of human services, for the biennium ending June 1993, is directed to ensure that all regional treatment center programs operated solely for the treatment of chemical dependency as well as the program located in Ah-Gwah-Ching, shall not accept any client admissions for the purpose of chemical dependency treatment after August 1, 1991, and shall cease operating all programs relating solely to chemical dependency services no later than December 31, 1991.

Notwithstanding the provisions of section 252.50 or any other law to the contrary, the closure of the seven regional treatment centers' chemical dependency treatment programs shall not be construed as a component of the department of human services' restructuring plan. Therefore, employee options with respect to restructuring in collective bargaining agreements and the commissioner's plan executed under chapter 179A do not apply unless the commissioner also declares the jobs to be at risk, within the meaning of the agreement authorized by Laws 1989, chapter 282, article 6, subdivision 11, due to the closure of the programs.

Notwithstanding any law to the contrary, the commissioner may maintain one regional treatment center for persons who are chemically dependent and mentally ill, persons who have been committed to chemical dependency treatment under Minnesota Statutes, chapter 253B, or persons who have acute needs and the commissioner determines they would not be served in another chemical dependency program.”

A roll call was requested and properly seconded.

The question was taken on the Frerichs amendment and the roll was called. There were 41 yeas and 89 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Krinkie	Onnen	Swenson
Blatz	Gruenes	Leppik	Pauly	Tompkins
Boo	Gutknecht	Limmer	Pellow	Valento
Davids	Hartle	Lynch	Runbeck	Waltman
Dempsey	Haukoos	Macklin	Schreiber	Welker
Dille	Heir	Marsh	Seaberg	
Erhardt	Henry	McPherson	Smith	
Frederick	Hufnagle	Morrison	Stanius	
Frerichs	Hugoson	Olsen, S.	Sviggum	

Those who voted in the negative were:

Anderson, I.	Goodno	Koppendrayer	Olson, K.	Simoneau
Anderson, R.	Greenfield	Krueger	Omann	Skoglund
Anderson, R. H.	Hanson	Lasley	Orenstein	Solberg
Battaglia	Hasskamp	Lieder	Orfield	Sparby
Beard	Hausman	Long	Osthoff	Steenasma
Begich	Jacobs	Lourey	Ostrom	Thompson
Bertram	Janezich	Mariani	Ozment	Trimble
Bettermann	Jaros	McEachern	Pelowski	Tunheim
Bodahl	Jefferson	McGuire	Peterson	Uphus
Brown	Jennings	Milbert	Pugh	Vellenga
Carlson	Johnson, A.	Munger	Reding	Wagenius
Carruthers	Johnson, R.	Murphy	Rest	Weaver
Clark	Johnson, V.	Nelson, K.	Rice	Wejcman
Cooper	Kahn	Nelson, S.	Rodosovich	Welle
Dauner	Kalis	Newinski	Rukavina	Wenzel
Dawkins	Kelso	O'Connor	Schafer	Winter
Dorn	Kinkel	Ogren	Scheid	Spk. Vanasek
Garcia	Knickerbocker	Olson, E.	Segal	

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

Henry; Olsen, S.; Nelson, S.; Jennings; Macklin; McPherson; Newinski; Goodno; Frederick and Dempsey moved to amend H. F. No. 719, the second engrossment, as amended, as follows:

Page 238, after line 21, insert:

“Sec. 27. [256D.045] [VERIFICATIONS AND CITIZENSHIP STATUS.]

Subdivision 1. [SOCIAL SECURITY NUMBERS.] In order to be eligible for assistance under sections 256D.01 to 256D.21, an indi-

vidual must provide his or her social security number to the county agency.

Subd. 2. [CITIZENSHIP; ALIENAGE STATUS.] In order to be eligible for assistance under sections 256D.01 to 256D.21, an individual must be either:

(1) a citizen of the United States; or

(2) a lawful permanent resident alien or alien residing under color of law, within the meaning of classifications established for the aid to families with dependent children program.

Subd. 3. [COUNTY VERIFICATIONS.] The county agency must verify the social security number and the citizenship or alienage status of all applicants for and recipients of assistance under sections 256D.01 to 256D.21.

Subd. 4. [RULES.] The commissioner is authorized to adopt emergency and permanent rules as necessary to implement the requirements of this section.

Subd. 5. The provisions of this section do not apply to the determination of eligibility for emergency general assistance under section 256D.06, subdivision 2."

Renumber the sections in sequence

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Henry et al amendment and the roll was called. There were 62 yeas and 64 nays as follows:

Those who voted in the affirmative were:

- | | | | | |
|-----------------|-------------|---------------|-----------|----------|
| Abrams | Goodno | Knickerbocker | Omann | Steensma |
| Anderson, R. H. | Gruenes | Koppendrayer | Onnen | Sviggum |
| Bettermann | Gutknecht | Krinkie | Osthoff | Swenson |
| Blatz | Hanson | Leppik | Ozment | Tompkins |
| Boo | Hartle | Limmer | Pauly | Uphus |
| Cooper | Haukoos | Lynch | Pellow | Valento |
| Davids | Heir | Macklin | Peterson | Waltman |
| Dempsey | Henry | Marsh | Runbeck | Weaver |
| Dille | Hufnagle | McPherson | Schafer | Welker |
| Erhardt | Hugoson | Morrison | Schreiber | Winter |
| Frederick | Jennings | Nelson, S. | Seaberg | |
| Frerichs | Johnson, V. | Newinski | Smith | |
| Girard | Kinkel | Olsen, S. | Stanius | |

Those who voted in the negative were:

Anderson, I.	Dauner	Kalis	Olson, E.	Simoneau
Anderson, R.	Dawkins	Kelso	Olson, K.	Skoglund
Battaglia	Dorn	Krueger	Orenstein	Solberg
Bauerly	Garcia	Lasley	Orfield	Sparby
Beard	Greenfield	Lieder	Ostrom	Thompson
Begich	Hausman	Long	Pelowski	Trimble
Bertram	Jacobs	Lourey	Pugh	Vellenga
Bishop	Janezich	Mariani	Rest	Wagenius
Bodahl	Jaros	Munger	Rice	Wejzman
Brown	Jefferson	Murphy	Rodosovich	Welle
Carlson	Johnson, A.	Nelson, K.	Rukavina	Wenzel
Carruthers	Johnson, R.	O'Connor	Scheid	Spk. Vanasek
Clark	Kahn	Ogren	Segal	

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

Henry; Olsen, S.; Jennings; Macklin; Newinski; McPherson; Goodno; Frederick and Dempsey moved to amend H. F. No. 719, the second engrossment, as amended, as follows:

Page 240, after line 18, insert:

“Sec. 30. Minnesota Statutes 1990, 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. Benefits under this section shall be furnished one time in any 12-month period. If an applicant or recipient relates facts to the county agency which may be sufficient to constitute an emergency situation, the county agency shall advise the person of the procedure for applying for assistance pursuant to this subdivision.”

Renumber the sections in sequence

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Henry et al amendment and the roll was called. There were 56 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Johnson, V.	Olsen, S.	Stanius
Anderson, R. H.	Girard	Knickerbocker	Omann	Sviggum
Bettermann	Goodno	Koppendrayner	Onnen	Swenson
Bishop	Gruenes	Krinkie	Ozment	Uphus
Blatz	Gutknecht	Limmer	Pauly	Valento
Boo	Hartle	Lynch	Pellow	Waltman
Davids	Haukoos	Marcklin	Pelowski	Weaver
Dempsey	Heir	Marsh	Runbeck	Welker
Dille	Henry	McEachern	Schafer	
Dorn	Hufnagle	McPherson	Schreiber	
Erhardt	Hugoson	Morrison	Seaberg	
Frederick	Jennings	Newinski	Smith	

Those who voted in the negative were:

Anderson, I.	Greenfield	Long	Osthoff	Steensma
Anderson, R.	Hanson	Lourey	Ostrom	Thompson
Battaglia	Hausman	Mariani	Peterson	Tompkins
Bauerly	Jacobs	McGuire	Pugh	Trimble
Beard	Janezich	Milbert	Reding	Tunheim
Begich	Jaros	Munger	Rest	Vellenga
Bertram	Jefferson	Murphy	Rice	Wagenius
Bodahl	Johnson, A.	Nelson, K.	Rodosovich	Wejzman
Brown	Kahn	Nelson, S.	Rukavina	Welle
Carlson	Kalis	O'Connor	Scheid	Wenzel
Carruthers	Kelso	Ogren	Segal	Winter
Cooper	Krueger	Olson, E.	Simoneau	Spk. Vanasek
Dauner	Lasley	Olson, K.	Skoglund	
Dawkins	Leppik	Orenstein	Solberg	
Garcia	Lieder	Orfield	Sparby	

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

The Speaker called Krueger to the Chair.

Welker, Hugoson, Girard and Knickerbocker offered an amendment to H. F. No. 719, the second engrossment, as amended.

Jennings requested a division of the Welker et al amendment to H. F. No. 719, the second engrossment, as amended.

The first portion of the Welker et al amendment to H. F. No. 719, the second engrossment, as amended, reads as follows:

Pages 116 to 118 delete section 49

Pages 120 to 123 delete sections 51 to 54 and insert:

"Sec. 51. Minnesota Statutes 1990, section 268.977, subdivision 2, is amended to read:

Subd. 2. [APPLICABILITY.] Notwithstanding section 268.975, subdivisions 6 and 8, the commissioner may waive the threshold

requirements for finding a plant closing or substantial layoff in special cases where the governor's job training council recommends waiver to the commissioner following a finding by the council that the number of workers dislocated as a result of a plant closing or substantial layoff would have a substantial impact on the community or labor market where the closure or layoff occurs and, in the absence of intervention through the rapid response program, would overwhelm the capacity of other programs to provide effective assistance. An individual is eligible for the training and other services described in section 268.977, subdivision 1, clause (4), if the only reason the individual is not a "dislocated worker" under section 268.975, subdivision 3, is because the threshold employment loss requirements of section 268.975, subdivisions 6 and 8, have not been met.

Sec. 52. [LEGISLATIVE AUDITOR STUDY.]

The legislative auditor shall evaluate the effectiveness of the dislocated worker program under sections 268.975 to 268.98 in meeting its objectives and submit the evaluation to the legislature by January 1, 1992.

Sec. 53. Minnesota Statutes 1990, section 268.98, is amended to read:

268.98 [PERFORMANCE STANDARDS; RULES.]

(1) The commissioner shall establish performance standards for the programs and activities administered or funded through the rapid response program under section 268.977. The commissioner may use existing federal performance standards or, if the commissioner determines that the federal standards are inadequate or not suitable, may formulate new performance standards to ensure that the programs and activities of the rapid response program are effectively administered.

(2) The commissioner shall adopt rules implementing the programs authorized under section 268.975 to 268.979 and the performance standards under section 268.98. The rules must include reporting requirements for the programs and grants. While the commissioner is making rules as required under this section, the commissioner shall continue to implement sections 268.975 to 268.98 under existing law. The commissioner shall report to the legislature on the effectiveness of sections 268.975 to 268.98 on February 1 of each year.

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 Welker et al amendment and the roll was called. There were 66 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kelso	Omman	Sviggum
Anderson, R. H.	Girard	Knickerbocker	Onnen	Swenson
Bertram	Goodno	Koppendrayner	Ozment	Tompkins
Bettermann	Gruenes	Krinking	Pauly	Uphus
Blatz	Gutknecht	Leppik	Pellow	Valento
Boo	Hartle	Limmer	Pelowski	Waltman
Cooper	Haukoos	Lynch	Peterson	Weaver
Dauner	Heir	Macklin	Runbeck	Welker
Davids	Henry	Marsh	Schafer	Welle
Dempsey	Hufnagle	McPherson	Schreiber	Winter
Dille	Hugoson	Morrison	Seaberg	
Dorn	Jennings	Nelson, S.	Smith	
Erhardt	Johnson, V.	Olsen, S.	Stanius	
Frederick	Kalis	Olson, E.	Steensma	

Those who voted in the negative were:

Anderson, I.	Greenfield	Long	Orenstein	Solberg
Anderson, R.	Hanson	Lourey	Orfield	Sparby
Battaglia	Hausman	Mariani	Ostrom	Thompson
Bauerly	Jacobs	McEachern	Pugh	Trimble
Beard	Janezich	McGuire	Reding	Tunheim
Begich	Jaros	Milbert	Rest	Vellenga
Bodahl	Jefferson	Munger	Rice	Wagenius
Brown	Johnson, A.	Murphy	Rodosovich	Wejzman
Carlson	Johnson, R.	Nelson, K.	Rukavina	Wenzel
Carruthers	Kahn	Newinski	Scheid	Spk. Vanasek
Clark	Kinkel	O'Connor	Segal	
Dawkins	Krueger	Ogren	Simoneau	
Garcia	Lieder	Olson, K.	Skoglund	

The motion prevailed and the first portion of the Welker et al amendment was adopted.

The Speaker resumed the Chair.

The second portion of the Welker et al amendment to H. F. No. 719, the second engrossment, as amended, reads as follows:

Page 130, delete section 60 and insert:

"Sec. 60. Laws 1990, chapter 568, article 6, section 4, is amended to read:

Sec. 4. [SUNSET.]

Section 1 is repealed effective ~~June 30~~ December 31, 1992.”

Page 130, line 33, delete “51 to 53” and insert “52, 53, and 60”

Page 130, line 34, after the period insert:

“Section 51 is effective July 1, 1991.”

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 Welker et al amendment and the roll was called. There were 62 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kelso	Omann	Stanius
Anderson, R. H.	Girard	Knickerbocker	Onnen	Sviggum
Bertram	Goodno	Koppendrayner	Ostrom	Swenson
Bettermann	Gruenes	Krinkie	Ozment	Tompkins
Bishop	Gutknecht	Leppik	Pauly	Uphus
Blatz	Hartle	Limmer	Pellow	Valento
Boo	Heir	Lynch	Pelowski	Waltman
Dauids	Henry	Macklin	Runbeck	Weaver
Dempsey	Hufnagle	Marsh	Schafer	Welker
Dille	Hugoson	McPherson	Schreiber	Welle
Dorn	Jennings	Morrison	Seaberg	
Erhardt	Johnson, V.	Olsen, S.	Smith	
Frederick	Kalis	Olsen, E.	Sparby	

Those who voted in the negative were:

Anderson, I.	Garcia	Lasley	Ogren	Simoneau
Anderson, R.	Greenfield	Lieder	Olson, K.	Skoglund
Battaglia	Hanson	Long	Orenstein	Solberg
Bauerly	Haukoos	Lourey	Orfield	Steensma
Beard	Hausman	Mariani	Osthoff	Thompson
Begich	Jacobs	McEachern	Peterson	Trimble
Bodahl	Janezich	McGuire	Pugh	Tunheim
Brown	Jaros	Milbert	Reding	Vellenga
Carlson	Jefferson	Munger	Rest	Wagenius
Carruthers	Johnson, A.	Murphy	Rice	Wejeman
Clark	Johnson, R.	Nelson, K.	Rodosovich	Wenzel
Cooper	Kahn	Nelson, S.	Rukavina	Winter
Dauner	Kinkel	Newinski	Scheid	Spk. Vanasek
Dawkins	Krueger	O'Connor	Segal	

The motion did not prevail and the second portion of the Welker et al amendment was not adopted.

MOTION FOR RECONSIDERATION

Welle moved that the vote whereby the first portion of the Welker et al amendment to H. F. No. 719, the second engrossment, as amended, which was adopted earlier today be now reconsidered.

A roll call was requested and properly seconded.

The question was taken on the Welle motion and the roll was called. There were 71 yeas and 55 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Greenfield	Krueger	Olson, K.	Sparby
Anderson, R.	Hanson	Lasley	Ostrom	Thompson
Battaglia	Hasskamp	Lieder	Pelowski	Trimble
Bauerly	Haukoos	Long	Peterson	Tunheim
Beard	Hausman	Lourey	Pugh	Vellenga
Begich	Jacobs	Mariani	Reding	Wagenius
Bodahl	Janezich	McEachern	Rest	Wejcmán
Brown	Jaros	McGuire	Rice	Welle
Carlson	Jefferson	Milbert	Rodosovich	Wenzel
Carruthers	Johnson, A.	Munger	Rukavina	Winter
Clark	Johnson, R.	Murphy	Scheid	Spk. Vanasek
Cooper	Kahn	Nelson, K.	Segal	
Dawkins	Kalis	O'Connor	Simoneau	
Dorn	Kelso	Ogren	Skoglund	
Garcia	Kinkel	Olson, E.	Solberg	

Those who voted in the negative were:

Abrams	Frederick	Jennings	Morrison	Smith
Anderson, R. H.	Frerichs	Johnson, V.	Olsen, S.	Stanius
Bertram	Girard	Knickerbocker	Omann	Steenasma
Bettermann	Goodno	Koppendrayer	Onnen	Sviggum
Bishop	Gruenes	Krinkie	Ozment	Swenson
Blatz	Gutknecht	Leppik	Pauly	Tompkins
Boo	Hartle	Limmer	Pellow	Uphus
Davids	Heir	Lynch	Runbeck	Valento
Dempsey	Henry	Macklin	Schafer	Waltman
Dille	Hufnagle	Marsh	Schreiber	Weaver
Erhardt	Hugoson	McPherson	Seaberg	Welker

The motion prevailed.

The first portion of the Welker et al amendment to H. F. No. 719, the second engrossment, as amended, was reported to the House.

The first portion of the Welker et al amendment to H. F. No. 719, the second engrossment, as amended, reads as follows:

Pages 116 to 118 delete section 49

Pages 120 to 123 delete sections 51 to 54 and insert:

“Sec. 51. Minnesota Statutes 1990, section 268.977, subdivision 2, is amended to read:

Subd. 2. [APPLICABILITY.] Notwithstanding section 268.975, subdivisions 6 and 8, the commissioner may waive the threshold requirements for finding a plant closing or substantial layoff in special cases where the governor’s job training council recommends waiver to the commissioner following a finding by the council that the number of workers dislocated as a result of a plant closing or substantial layoff would have a substantial impact on the community or labor market where the closure or layoff occurs and, in the absence of intervention through the rapid response program, would overwhelm the capacity of other programs to provide effective assistance. An individual is eligible for the training and other services described in section 268.977, subdivision 1, clause (4), if the only reason the individual is not a “dislocated worker” under section 268.975, subdivision 3, is because the threshold employment loss requirements of section 268.975, subdivisions 6 and 8, have not been met.

Sec. 52. [LEGISLATIVE AUDITOR STUDY.]

The legislative auditor shall evaluate the effectiveness of the dislocated worker program under sections 268.975 to 268.98 in meeting its objectives and submit the evaluation to the legislature by January 1, 1992.

Sec. 53. Minnesota Statutes 1990, section 268.98, is amended to read:

268.98 [PERFORMANCE STANDARDS; RULES.]

(1) The commissioner shall establish performance standards for the programs and activities administered or funded through the rapid response program under section 268.977. The commissioner may use existing federal performance standards or, if the commissioner determines that the federal standards are inadequate or not suitable, may formulate new performance standards to ensure that the programs and activities of the rapid response program are effectively administered.

(2) The commissioner shall adopt rules implementing the programs authorized under section 268.975 to 268.979 and the performance standards under section 268.98. The rules must include reporting requirements for the programs and grants. While the commissioner is making rules as required under this section, the

commissioner shall continue to implement sections 268.975 to 268.98 under existing law. The commissioner shall report to the legislature on the effectiveness of sections 268.975 to 268.98 on February 1 of each year."

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 Welker 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	Frederick	Johnson, V.	Omman	Sviggum
Anderson, R. H.	Frerichs	Kalis	Onnen	Swenson
Bertram	Girard	Krickerbocker	Ozment	Tompkins
Bettermann	Goodno	Koppendrayer	Pauly	Uphus
Bishop	Gruenes	Krinkie	Pellow	Valento
Blatz	Gutknecht	Leppik	Peterson	Waltman
Boo	Hartle	Limmer	Runbeck	Weaver
Cooper	Haukoos	Lynch	Schafer	Welker
Dauner	Heir	Macklin	Schreiber	Winter
Davids	Henry	Marsh	Seaberg	
Dempsey	Hufnagle	McPherson	Smith	
Dille	Hugoson	Morrison	Stanisus	
Erhardt	Jennings	Olsen, S.	Steensma	

Those who voted in the negative were:

Anderson, I.	Garcia	Kinkel	Olson, E.	Simoneau
Anderson, R.	Greenfield	Krueger	Orenstein	Skoglund
Battaglia	Hanson	Lieder	Orfield	Solberg
Bauerly	Haskamp	Long	Ostrom	Sparby
Beard	Hausman	Lourey	Pelowski	Trimble
Begich	Jacobs	Mariani	Pugh	Tunheim
Bodahl	Janezich	McGuire	Reding	Vellenga
Brown	Jaros	Milbert	Rest	Wagenius
Carlson	Jefferson	Munger	Rice	Wejzman
Carruthers	Johnson, A.	Murphy	Rodosovich	Wenzel
Clark	Johnson, R.	Nelson, K.	Rukavina	Spk. Vanasek
Dawkins	Kahn	O'Connor	Scheid	
Dorn	Kelso	Ogren	Segal	

The motion did not prevail and the first portion of the Welker et al amendment was not adopted.

Macklin moved to amend H. F. No. 719, the second engrossment, as amended, as follows:

Page 266, line 33, after the period insert:

“A parent is not considered voluntarily unemployed or underemployed upon a showing by the parent that (1) the parent has made a good faith effort to seek suitable employment or (2) that the unemployment or underemployment is: (i) temporary and will ultimately lead to an increase in income; or (ii) represents a bona fide career change that outweighs the adverse effect of that parent’s diminished income on the child, and under both (i) and (ii), the parent is able to provide reasonable support to the child.”

Page 267, line 34, after the period insert:

“If application of the child support guidelines as provided in this paragraph results in an amount that is less than 10 percent higher or lower than the amount of the current support order, then the current support order is rebuttably presumed to be reasonable and fair.”

The motion prevailed and the amendment was adopted.

Frerichs moved to amend H. F. No. 719, the second engrossment, as amended, as follows:

Page 307, after line 31, insert:

“Sec. 40. [252.505] [SALE OF STATE-OPERATED COMMUNITY FACILITIES.]

Notwithstanding the requirements of chapter 94 or section 252.50 of Minnesota Statutes, or any other law to the contrary, the commissioner of human services is directed to sell directly by private sealed bid for not less than the appraised value, or to lease, all of the state-operated community residential facilities which are constructed or under construction as of June 30, 1991, under the authority of section 252.50, but which are not serving residents. In addition, the commissioner is directed to sell all parcels of undeveloped land acquired under the authority of section 252.50 directly by sealed bid for not less than the appraised value. The commissioner shall present to the legislature by February 15, 1992, a report on the implementation of this section and a plan for phaseout of all state programs operated under the authority of section 252.50. The plan shall include recommendations developed in consultation with bargaining representatives for transfer of affected state employees.”

Renumber the sections in sequence

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Frerichs amendment and the roll was called. There were 42 yeas and 87 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Johnson, V.	Onnen	Sviggum
Anderson, R. H.	Girard	Koppendrayser	Pauly	Tompkins
Blatz	Gutknecht	Krinkie	Pellow	Uphus
Boo	Hartle	Leppik	Pelowski	Valento
Davids	Haukoos	Limmer	Runbeck	Waltman
Dempsey	Heir	Macklin	Schafer	Welker
Dille	Henry	McPherson	Schreiber	
Erhardt	Hufnagle	Morrison	Seaberg	
Frederick	Hugoson	Newinski	Smith	

Those who voted in the negative were:

Anderson, I.	Goodno	Lasley	Olson, K.	Sparby
Anderson, R.	Greenfield	Lieder	Omann	Stanius
Battaglia	Gruenes	Long	Orenstein	Steenasma
Bauerly	Hanson	Lourey	Orfield	Swenson
Beard	Hasskamp	Lynch	Osthoff	Thompson
Begich	Hausman	Mariani	Ozment	Trimble
Bertram	Jacobs	Marsh	Peterson	Tunheim
Bettermann	Janezich	McEachern	Pugh	Vellenga
Bodahl	Jaros	McGuire	Reding	Wagenius
Brown	Jefferson	Milbert	Rest	Weaver
Carlson	Jennings	Munger	Rice	Wejcman
Carruthers	Johnson, A.	Murphy	Rodosovich	Welle
Clark	Johnson, R.	Nelson, K.	Rukavina	Wenzel
Cooper	Kahn	Nelson, S.	Scheid	Winter
Dauner	Kalis	O'Connor	Segal	Spk. Vanasek
Dawkins	Kelso	Ogren	Simoneau	
Dorn	Kinkel	Olsen, S.	Skoglund	
Garcia	Krueger	Olson, E.	Solberg	

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

Frerichs moved to amend H. F. No. 719, the second engrossment, as amended, as follows:

Page 12, delete lines 58 to 68

Page 13, delete lines 1 to 27 and insert:

"The five state-operated community residential facilities for the developmentally disabled which are presently completed or under construction under the authority of section 252.50 shall be opened by the commissioner during the biennium beginning July 1, 1992. There shall be a moratorium effective

immediately on the planning for, and siting or construction of, any additional facilities.

The appropriation in this section for SOCS development shall be reduced accordingly.”

Page 307, delete section 39

Page 334, delete section 50

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 Frerichs amendment and the roll was called. There were 38 yeas and 90 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Hugoson	Morrison	Sviggum
Anderson, R. H.	Girard	Johnson, V.	Onnen	Tompkins
Bettermann	Gruenes	Koppendrayner	Pauly	Uphus
Boo	Gutknecht	Krinkie	Pellow	Valento
Davids	Hartle	Limmer	Pelowski	Waltman
Dempsey	Haukoos	Macklin	Schafer	Welker
Erhardt	Henry	Marsh	Seaberg	
Frederick	Hufnagle	McPherson	Smith	

Those who voted in the negative were:

Anderson, I.	Garcia	Krueger	Olson, E.	Simoneau
Anderson, R.	Goodno	Lasley	Olson, K.	Skoglund
Battaglia	Greenfield	Lieder	Omann	Solberg
Bauerly	Hanson	Long	Orenstein	Sparby
Beard	Hasskamp	Lourey	Orfield	Stanius
Begich	Hausman	Lynch	Osthoff	Steensma
Bertram	Heir	Mariani	Ostrom	Swenson
Blatz	Jacobs	McEachern	Ozment	Thompson
Bodahl	Janezich	McGuire	Peterson	Trimble
Brown	Jaros	Milbert	Pugh	Tunheim
Carlson	Jefferson	Munger	Reding	Vellenga
Carruthers	Jennings	Murphy	Rest	Wagenius
Clark	Johnson, A.	Nelson, K.	Rice	Weaver
Cooper	Johnson, R.	Nelson, S.	Rodosovich	Wejcmann
Dauner	Kahn	Newinski	Rukavina	Welle
Dawkins	Kalis	O'Connor	Runbeck	Wenzel
Dille	Kelso	Ogren	Scheid	Winter
Dorn	Kinkel	Olsen, S.	Segal	Spk. Vanasek

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

Hasskamp moved to amend H. F. No. 719, the second engrossment, as amended, as follows:

Page 48, line 27, after "Subd. 9." insert "In allocating grant funds for family planning special projects, if there is more than one applicant in a single region, the commissioner shall be sensitive to the diverse family planning philosophies among the applicant grantees."

The motion prevailed and the amendment was adopted.

Wenzel; Marsh; Anderson, I.; Dille; Winter; Davids; Steensma; Uphus; Omann; McEachern; Nelson, S.; Sparby; Bauerly; Bertram; Sviggum and McPherson moved to amend H. F. No. 719, the second engrossment, as amended, as follows:

Page 24, delete lines 30 to 43, and insert:

"The \$2,200,000 appropriation increase in family planning grants is transferred from family planning grants to the women, infants, and children food supplement program (WIC)."

Pages 48 and 49, delete section 25

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 58 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Brown	Frederick	Heir	Kelso
Bauerly	Cooper	Girard	Hufnagle	Koppendrayner
Begich	Dauner	Goodno	Hugoson	Krinkie
Bertram	Davids	Gruenes	Jacobs	Limmer
Bettermann	Dempsey	Gutknecht	Johnson, V.	Lynch
Bodahl	Dille	Haukoos	Kalis	Macklin

Marsh	Omann	Rukavina	Sviggum	Weaver
McEachern	Onnen	Schafer	Thompson	Welker
McPherson	Ozment	Seaberg	Tompkins	Wenzel
Nelson, S.	Pellow	Sparby	Uphus	Winter
Newinski	Pelowski	Stanius	Valento	
O'Connor	Peterson	Steensma	Waltman	

Those who voted in the negative were:

Abrams	Frerichs	Krueger	Olsen, S.	Schreiber
Anderson, R.	Garcia	Lasley	Olson, E.	Segal
Anderson, R. H.	Greenfield	Leppik	Olson, K.	Simoneau
Battaglia	Hanson	Lieder	Orenstein	Skoglund
Beard	Hartle	Long	Orfield	Smith
Bishop	Hausman	Lourey	Osthoff	Solberg
Blatz	Jaros	Mariani	Ostrom	Swenson
Boo	Jefferson	McGuire	Pauly	Trimble
Carlson	Jennings	Milbert	Pugh	Tunheim
Carruthers	Johnson, A.	Morrison	Reding	Vellenga
Clark	Johnson, R.	Munger	Rest	Wagenius
Dawkins	Kahn	Murphy	Rodosovich	Wejcman
Dorn	Kinkel	Nelson, K.	Runbeck	Welle
Erhardt	Knickerbocker	Ogren	Scheid	Spk. Vanasek

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

Marsh; Henry; Schafer; Jacobs; Steensma; Anderson, I.; Bertram; Uphus; Wenzel; Sparby; Thompson and O'Connor moved to amend H. F. No. 719, the second engrossment, as amended, as follows:

Page 24, line 43, after the period insert:

“Priority for these funds will be given to grantees not presently receiving federal funds under Title X of the Public Health Services Act.”

A roll call was requested and properly seconded.

The question was taken on the Marsh et al amendment and the roll was called. There were 71 yeas and 56 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Frederick	Johnson, V.	McPherson	Schreiber
Bauerly	Girard	Kalis	Nelson, S.	Seaberg
Beard	Goodno	Kelso	Newinski	Smith
Begich	Gruenes	Kinkel	O'Connor	Solberg
Bertram	Gutknecht	Knickerbocker	Omman	Sparby
Bettermann	Hasskamp	Koppendrayner	Onnen	Stanius
Bodahl	Haukoos	Krinkie	Ozment	Steensma
Brown	Heir	Lieder	Pellow	Sviggum
Cooper	Henry	Limmer	Pelowski	Swenson
Dauner	Hufnagle	Lynch	Peterson	Thompson
Davids	Hugoson	Macklin	Rice	Tompkins
Dempsey	Jacobs	Marsh	Runbeck	Tunheim
Dille	Johnson, R.	McEachern	Schafer	Uphus

Valento
Waltman

Weaver
Welker

Wenzel
Winter

Those who voted in the negative were:

Abrams	Greenfield	Leppik	Orenstein	Simoneau
Anderson, R. H.	Hanson	Long	Orfield	Skoglund
Battaglia	Hartle	Lourey	Osthoff	Trimble
Bishop	Hausman	Mariani	Ostrom	Vellenga
Carlson	Janezich	McGuire	Pauly	Wagenius
Carruthers	Jaros	Milbert	Pugh	Wejzman
Clark	Jefferson	Munger	Reding	Welle
Dawkins	Jennings	Murphy	Rest	Spk. Vanasek
Dorn	Johnson, A.	Nelson, K.	Rodosovich	
Erhardt	Kahn	Ogren	Rukavina	
Frerichs	Krueger	Olson, E.	Scheid	
Garcia	Lasley	Olson, K.	Segal	

The motion prevailed and the amendment was adopted.

Goodno; Welker; Haukoos; Olsen, S.; Swenson; Tunheim; Macklin; Waltman; Omann; Nelson, S.; Henry; Bettermann; Jennings; Lynch; Lieder; Girard; Bertram; Newinski; Tompkins; Davids; Stanius and McPherson moved to amend H. F. No. 719, the second engrossment, as amended, as follows:

Page 240, after line 18, insert:

"Sec. 30. [256D.065] [GENERAL ASSISTANCE AND WORK READINESS PAYMENTS FOR NEW RESIDENTS.]

Notwithstanding any other provisions of sections 256D.01 to 256D.21, otherwise eligible assistance units without minor children, who have been residing in the state less than six months, shall be granted general assistance and work readiness payments in an amount that, when added to the nonexempt income actually available to the assistance unit, shall be no greater than 60% of the amount that the assistance unit would be eligible to receive under section 256D.06, subdivision 1. A unit may receive benefits in excess of this amount, equal to the lesser of the benefits the unit actually received in the last state of residence or the maximum benefits allowable under section 256D.06, subdivision 1. To receive the higher benefit amount, the assistance unit must provide verification of the amount of assistance received in the last state of residence. Nonexempt income is the income considered available under Minnesota Rules, parts 9500.1200 to 9500.1270."

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 Goodno et al amendment and the roll was called. There were 111 yeas and 15 nays as follows:

Those who voted in the affirmative were:

Abrams	Erhardt	Knickerbocker	Olson, E.	Smith
Anderson, I.	Frederick	Koppendrayner	Olson, K.	Solberg
Anderson, R.	Frerichs	Krinkie	Omamn	Sparby
Anderson, R. H.	Garcia	Krueger	Onnen	Stanius
Battaglia	Girard	Lasley	Orfield	Steensma
Bauerly	Goodno	Leppik	Osthoff	Sviggum
Beard	Gruenes	Lieder	Ostrom	Swenson
Begich	Gutknecht	Limmer	Ozment	Thompson
Bertram	Hanson	Lourey	Pauly	Tompkins
Bettermann	Hartle	Lynch	Pellow	Uphus
Bishop	Hasskamp	Macklin	Pelowski	Valento
Blatz	Haukoos	Marsh	Peterson	Wagenius
Bodahl	Heir	McEachern	Pugh	Waltman
Boo	Henry	McGuire	Reding	Weaver
Brown	Hufnagle	McPherson	Rest	Welker
Carlson	Hugoson	Milbert	Rodosovich	Welle
Carruthers	Jacobs	Morrison	Rukavina	Wenzel
Cooper	Janezich	Murphy	Runbeck	Winter
Dauner	Jennings	Nelson, K.	Schafer	Spk. Vanasek
Davids	Johnson, V.	Nelson, S.	Scheid	
Dempsey	Kalis	Newinski	Schreiber	
Dille	Kelso	O'Connor	Seaberg	
Dorn	Kinkel	Olsen, S.	Skoglund	

Those who voted in the negative were:

Clark	Hausman	Johnson, A.	Munger	Trimble
Dawkins	Jaros	Kahn	Orenstein	Vellenga
Greenfield	Jefferson	Mariani	Rice	Wejzman

The motion prevailed and the amendment was adopted.

Blatz and Dempsey moved to amend H. F. No. 719, the second engrossment, as amended, as follows:

Page 20, after line 28, insert:

“5,000 5,000

This amount is for the increased administrative costs incurred by the board of pardons to conduct open meetings of all pardon and commutation applications, investigate applications, and provide victim notification services.”

Page 428, after line 36, insert:

"Sec. 9. Minnesota Statutes 1990, section 471.705, subdivision 1, is amended to read:

Subdivision 1. Except as otherwise expressly provided by statute, all meetings, including executive sessions, of any state agency, board, commission or department when required or permitted by law to transact public business in a meeting, and the governing body of any school district however organized, unorganized territory, county, city, town, or other public body, and of any committee, subcommittee, board, department or commission thereof, shall be open to the public, except meetings of the board of pardons and the commissioner of corrections. The votes of the members of such state agency, board, commission or department or of such governing body, committee, subcommittee, board, department or commission on any action taken in a meeting herein required to be open to the public shall be recorded in a journal kept for that purpose, which journal shall be open to the public during all normal business hours where such records are kept. The vote of each member shall be recorded on each appropriation of money, except for payments of judgments, claims and amounts fixed by statute. This section shall not apply to any state agency, board, or commission when exercising quasi-judicial functions involving disciplinary proceedings.

Sec. 10. Minnesota Statutes 1990, section 638.04, is amended to read:

638.04 [MEETINGS.]

The board of pardons shall hold meetings at least twice each year and shall hold a meeting whenever it takes formal action on an application for a pardon or commutation of sentence. All board meetings shall be open to the public as provided in section 471.705.

The victim of an applicant's crime has a right to submit an oral or written statement at the meeting. The statement may summarize the harm suffered by the victim as a result of the crime and give the victim's recommendation on whether the application for a pardon or commutation should be granted or denied. In addition, any law enforcement agency may submit an oral or written statement at the meeting, giving its recommendation on whether the application should be granted or denied. The board must consider the victim's and the law enforcement agency's statement when making its decision on the application.

Sec. 11. Minnesota Statutes 1990, section 638.05, is amended to read:

638.05 [APPLICATION FOR PARDON.]

Every application for a pardon or commutation of sentence shall

be in writing, addressed to the board of pardons, signed by the convict or some one in the convict's behalf, shall state concisely the grounds upon which the pardon or commutation is sought, and in addition shall contain the following facts:

- (1) The name under which the convict was indicted, and every alias by which known;
- (2) The date and terms of sentence, and the names of the offense for which it was imposed;
- (3) The name of the trial judge and the county attorney who participated in the trial of the convict, together with that of the county of trial;
- (4) A succinct statement of the evidence adduced at the trial, with the endorsement of the judge or county attorney who tried the case that the same is substantially correct; if such statement and endorsement are not furnished, the reason thereof shall be stated;
- (5) The age, birthplace, parentage, and occupation and residence of the convict during five years immediately preceding conviction;
- (6) A statement of other arrests, indictments, and convictions, if any, of the convict.

Every application for a pardon or commutation of sentence shall contain a statement by the applicant consenting to the disclosure of any private data concerning the applicant contained in the application or in any other record relating to the grounds on which the pardon or commutation is sought.

Sec. 12. Minnesota Statutes 1990, section 638.06, is amended to read:

638.06 [ACTION ON APPLICATION.]

Every such application shall be filed with the clerk of the board of pardons. If an application for a pardon or commutation has been once heard and denied on the merits, no subsequent application shall be filed without the consent of two members of the board endorsed thereon. The clerk shall, immediately on receipt of any application, mail notice thereof, and of the time and place of hearing thereon, to the judge of the court wherein the applicant was tried and sentenced, and to the prosecuting attorney who prosecuted the applicant, or a successor in office; ~~provided, pardons or commutations of sentence of persons committed to a county jail or workhouse may be granted by the board without notice.~~ The clerk shall also make all reasonable efforts to locate any victim of the applicant's crime. The clerk shall mail notice of the application and the time

and place of the hearing to any victim who is located. This notice shall specifically inform the victim of the victim's right to be present at the hearing and to submit an oral or written statement to the board as provided in section 638.04."

Renumber the sections in sequence

Adjust the numbers accordingly

Amend the title accordingly

The question was taken on the Blatz and Dempsey amendment and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Knickerbocker	Olson, E.	Smith
Anderson, I.	Garcia	Koppendrayner	Olson, K.	Solberg
Anderson, R.	Girard	Krinkie	Omann	Sparby
Anderson, R. H.	Goodno	Krueger	Onnen	Stanisus
Battaglia	Greenfield	Lasley	Orenstein	Steenasma
Bauerly	Gruenes	Leppik	Orfield	Sviggum
Beard	Gutknecht	Lieder	Osthoff	Swenson
Begich	Hanson	Limmer	Ostrom	Thompson
Bertram	Hartle	Long	Ozment	Tompkins
Bettermann	Hasskamp	Lourey	Pauly	Trimble
Bishop	Haukoos	Lynch	Pellow	Tunheim
Blatz	Hausman	Macklin	Pelowski	Uphus
Bodahl	Heir	Mariani	Peterson	Valento
Boo	Henry	Marsh	Pugh	Vellenga
Brown	Hufnagle	McEachern	Reding	Wagenius
Carlson	Hugoson	McGuire	Rest	Waltman
Carruthers	Jacobs	McPherson	Rice	Weaver
Clark	Janezich	Milbert	Rodosovich	Wejcmann
Cooper	Jaros	Morrison	Rukavina	Welker
Dauner	Jefferson	Munger	Runbeck	Welle
Davids	Jennings	Murphy	Schafer	Wenzel
Dawkins	Johnson, A.	Nelson, K.	Scheid	Winter
Dempsey	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Dille	Kahn	Newinski	Seaberg	
Dorn	Kalis	O'Connor	Segal	
Erhardt	Kelso	Ogren	Simoneau	
Frederick	Kinkel	Olsen, S.	Skoglund	

The motion prevailed and the amendment was adopted.

H. F. No. 719, A bill for an act relating to the organization and operation of state government; appropriating money for human services, jobs and training, corrections, health, human rights, housing finance, and other purposes with certain conditions; amending Minnesota Statutes 1990, sections 3.922, subdivisions 3 and 8; 3.9223, subdivision 1; 3.9225, subdivision 1; 3.9226, subdivision 1; 15.46; 43A.191, subdivision 2; 103I.235; 120.183; 144.335, subdivision 1; 144A.071, by adding a subdivision; 144A.31; 144A.46, subdivision 4; 144A.51, subdivision 5; 144A.53, subdivision 1;

145.925, by adding a subdivision; 148B.01, subdivision 7; 148B.03; 148B.04, subdivision 4; 148B.05, subdivision 1; 148B.06, subdivisions 1 and 3; 148B.07, subdivisions 1, 4, 7, and 8; 148B.08; 148B.12; 148B.17; 148B.18, subdivision 10; 148B.33, subdivision 1; 148B.38, subdivision 3; 157.031, subdivisions 2, 3, 4, and 9; 171.29, subdivision 2; 198.007; 214.04, subdivision 3; 241.022; 245.461, subdivision 3, and by adding a subdivision; 245.462, subdivisions 6 and 18; 245.465; 245.4711, by adding a subdivision; 245.472, by adding a subdivision; 245.473, by adding subdivisions; 245.484; 245.487, subdivision 4, and by adding a subdivision; 245.4871, subdivisions 27, 31, and by adding a subdivision; 245.4873, subdivision 6; 245.4874; 245.4881, subdivision 1; 245.4882, by adding subdivisions; 245.4884, subdivision 1; 245.4885, subdivisions 1, 2, and by adding a subdivision; 245.697, subdivision 1; 246.18, subdivision 4, and by adding a subdivision; 246.64, subdivision 3; 251.011, subdivision 3; 252.24, by adding a subdivision; 252.27, subdivisions 1a and 2a; 252.275; 252.28, subdivisions 1, 3, and by adding a subdivision; 252.32; 252.40; 252.46, subdivisions 3, 6, 12, 14, and by adding a subdivision; 252.478, subdivisions 1 and 3; 252.50, subdivision 2; 253C.01, subdivisions 1 and 2; 254B.04, subdivision 1; 256.01, subdivisions 2, 11, and by adding a subdivision; 256.025, subdivisions 1, 2, 3, and 4; 256.031; 256.032; 256.033; 256.034; 256.035; 256.036, subdivisions 1, 2, 4, and 5; 256.045, subdivision 10; 256.482, subdivision 1; 256.736, subdivision 3a; 256.82, subdivision 1; 256.871, subdivision 6; 256.935, subdivision 1; 256.936, by adding a subdivision; 256.9365, subdivisions 1 and 3; 256.9685, subdivision 1; 256.9686, subdivisions 1 and 6; 256.969, subdivisions 1, 2, 2c, 3a, and 6a; 256.9695, subdivision 1; 256.98, by adding a subdivision; 256.983; 256B.031, subdivision 4, and by adding a subdivision; 256B.04, subdivision 16; 256B.055, subdivisions 10 and 12; 256B.057, subdivisions 1, 2, 3, 4, and by adding a subdivision; 256B.0575; 256B.0625, subdivisions 2, 4, 7, 13, 17, 19, 20, 24, 25, 28, 30, and by adding subdivisions; 256B.0627; 256B.064, subdivision 2; 256B.0641, by adding a subdivision; 256B.08, by adding a subdivision; 256B.091, subdivision 8; 256B.092; 256B.093; 256B.19, subdivision 1, and by adding subdivisions; 256B.431, subdivisions 2l, 3e, 3f, and by adding subdivisions; 256B.48, subdivision 1; 256B.49, by adding a subdivision; 256B.491, by adding a subdivision; 256B.50, subdivision 1d; 256B.501, subdivisions 3g, 8, 11, and by adding a subdivision; 256B.64; 256C.24, subdivision 2; 256C.25; 256D.03, subdivisions 2, 2a, 3, and 4; 256D.05, subdivision 6, and by adding a subdivision; 256D.051, subdivisions 1, 1a, 3a, 6, and 8; 256D.052, subdivision 3; 256D.06, subdivision 1b; 256D.07; 256D.10; 256D.101, subdivisions 1 and 3; 256D.36, subdivision 1; 256D.44, by adding a subdivision; 256F.01; 256F.02; 256F.03, subdivision 5; 256F.04; 256F.05; 256F.06; 256F.07, subdivisions 1, 2, and 3; 256H.02; 256H.03; 256H.05; 256H.08; 256H.09, by adding a subdivision; 256H.15, subdivisions 1, 2, and by adding a subdivision; 256H.18; 256H.20, subdivision 3a; 256H.21, subdivision 10; 256H.22, subdivisions 2, 6, and by adding a subdivision; 256I.04, by adding a subdivision; 256I.05, subdivision 2, and by adding subdivisions; 257.071, subdivision 1a; 257.352, subdivision 2; 257.57, subdivision 2; 261.035; 268.022, subdivision 2; 268.39; 268.914; 268.975, subdivision 3, and by adding a subdivision; 268.977; 268.98; 268A.06, by adding a subdivision;

268A.08, subdivision 2; 268A.09, subdivision 2; 270A.04, subdivision 2; 270A.08, subdivision 2; 273.1398, subdivision 1; 299A.21, subdivision 6; 299A.23, subdivision 2; 299A.27; 393.07, subdivisions 10 and 10a; 401.10; 401.13; 462A.02, subdivision 13; 462A.03, subdivisions 10, 13, and 16; 462A.05, subdivisions 14, 20, and by adding subdivisions; 462A.08, subdivision 2; 462A.21, subdivisions 4k, 12a, and 14; 462A.22, subdivision 9; 462A.222, subdivision 3; 471.705, subdivision 1; 474A.048, subdivision 2; 518.551, subdivision 5, and by adding subdivisions; 518.64; 609.52, by adding a subdivision; 638.04; 638.05; 638.06; Laws 1987, chapter 404, section 28, subdivision 1; Laws 1988, chapter 689, article 2, section 256, subdivision 1; and Laws 1989, chapter 335, article 1, section 27, subdivision 1, as amended; proposing coding for new law in Minnesota Statutes, chapters 16B; 144; 145; 148B; 241; 245; 252; 256; 256B; 256D; 256F; 256H; 257; 268A; and 462A; proposing coding for new law as Minnesota Statutes, chapter 144B; repealing Minnesota Statutes 1990, sections 144A.31, subdivisions 2 and 3; 148B.01, subdivisions 2, 5, and 6; 148B.02; 148B.16; 148B.171; 148B.40; 148B.41; 148B.42; 148B.43; 148B.44; 148B.45; 148B.46; 148B.47; 148B.48; 157.031, subdivision 5; 245.476, subdivisions 1, 2, and 3; 252.275, subdivision 2; 256.032, subdivisions 5 and 9; 256.035, subdivisions 6 and 7; 256.036, subdivision 10; 256B.0625, subdivisions 6 and 19; 256B.0627, subdivision 3; 256B.091; 256B.431, subdivision 6; 256B.69, subdivision 8; 256B.71, subdivision 5; 256D.051, subdivisions 1b, 3c, and 16; 256D.052, subdivision 4; 256D.09, subdivision 4; 256D.101, subdivision 2; 256H.26; 462A.05, subdivisions 28 and 29; and Laws 1990, chapter 568, article 6, section 4.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 89 yeas and 43 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Dorn	Kinkel	Ogren	Skoglund
Anderson, R.	Garcia	Koppendrayer	Olson, E.	Solberg
Battaglia	Goodno	Krueger	Olson, K.	Sparby
Bauerly	Greenfield	Lasley	Orenstein	Steensma
Beard	Hanson	Leppik	Orfield	Sviggum
Begich	Hasskamp	Lieder	Osthoff	Thompson
Bertram	Hausman	Long	Ostrom	Tompkins
Bettermann	Heir	Lourey	Pelowski	Trimble
Bishop	Jacobs	Mariani	Peterson	Tunheim
Bodahl	Janezich	McEachern	Pugh	Vellenga
Brown	Jaros	McGuire	Reding	Wagenius
Carlson	Jefferson	Milbert	Rest	Waltman
Carruthers	Jennings	Munger	Rice	Wejzman
Clark	Johnson, A.	Murphy	Rodosovich	Welle
Cooper	Johnson, R.	Nelson, K.	Rukavina	Wenzel
Dauner	Kahn	Nelson, S.	Scheid	Winter
Dawkins	Kalis	Newinski	Segal	Spk. Vanasek
Dille	Kelso	O'Connor	Simoneau	

Those who voted in the negative were:

Abrams	Girard	Knickerbocker	Omann	Smith
Anderson, R. H.	Gruenes	Krinkie	Onnen	Stanius
Blatz	Gutknecht	Limmer	Ozment	Swenson
Boo	Hartle	Lynch	Pauly	Uphus
Dauids	Haukoos	Macklin	Pellow	Valento
Dempsey	Henry	Marsh	Runbeck	Weaver
Erhardt	Hufnagle	McPherson	Schafer	Welker
Frederick	Hugoson	Morrison	Schreiber	
Frerichs	Johnson, V.	Olsen, S.	Seaberg	

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

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Long from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 1655, A bill for an act relating to taxation; authorizing the department of trade and economic development to issue obligations to finance construction of aircraft maintenance and repair facilities; providing tax credits for job creation; providing an exemption from sales tax for certain equipment and materials; authorizing establishment of tax increment financing districts in the cities of Duluth and Hibbing; authorizing the metropolitan airports commission to operate outside the metropolitan area; amending Minnesota Statutes 1990, sections 290.06, by adding a subdivision; and 473.608, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 297A; proposing coding for new law as Minnesota Statutes, chapter 116R.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Local Government and Metropolitan Affairs.

The report was adopted.

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. 132, A bill for an act relating to energy; improving energy efficiency by prohibiting incandescent lighting in certain exit signs; requiring amendments to building codes and standards to increase energy efficiency; requiring state agencies to use funds allocated for utility expenditures to buy nonincandescent bulbs; amending Minnesota Statutes 1990, sections 16B.61, subdivision 3; and 299F.011, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 16B.

The Senate has appointed as such committee:

Messrs. Marty and Finn and Mrs. Benson, J. E.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 137, A bill for an act relating to elections; authorizing a party state executive committee to fill certain vacancies and make certain decisions; changing time for examination by judges of certain return envelopes; changing the form of an affidavit; clarifying procedures for nominating certain candidates by petition; providing for withdrawal from the general election ballot; clarifying procedures for filling certain vacancies; providing for counting write-in votes for a candidate team; amending Minnesota Statutes 1990, sections 202A.12, subdivision 3; 203B.12, subdivision 2; 203B.21, subdivision 3; 204B.12; 204B.13; 204B.41; and 204C.22, by adding a subdivision.

The Senate has appointed as such committee:

Messrs. Luther, Mondale and Laidig.

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. 244, A bill for an act relating to traffic regulations; regulating traffic safety concerning school buses and the safety of school children; providing penalties; amending Minnesota Statutes 1990, sections 169.01, subdivision 6; 169.45; 169.451; 171.07, by adding a subdivision; 171.17; and 171.18; proposing coding for new law in Minnesota Statutes, chapter 169; repealing Minnesota Statutes 1990, sections 169.44; and 169.64, subdivision 7.

The Senate has appointed as such committee:

Mr. Luther; Mses. Flynn and Olson.

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. 326, A bill for an act relating to elections; providing for time off to vote in primaries; amending Minnesota Statutes 1990, section 204C.04.

The Senate has appointed as such committee:

Messrs. Hughes, Pogemiller and Johnson, D. E.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 633, A bill for an act relating to watercraft; regulating the use and operation of personal watercraft; amending Minnesota Statutes 1990, section 86B.005, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 86B.

The Senate has appointed as such committee:

Messrs. Lessard and Finn and Ms. Olson.

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. 809, A bill for an act relating to counties; fixing various fees for documents; amending Minnesota Statutes 1990, sections 357.18, subdivision 1; 508.82; and 508A.82.

The Senate has appointed as such committee:

Mr. Hottinger, Mrs. Adkins and Mr. Neuville.

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. 1179, A bill for an act relating to metropolitan government; directing the metropolitan council to conduct a study.

The Senate has appointed as such committee:

Mr. Mondale; Mses. Ranum and Johnston.

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. 187, A bill for an act relating to mental health; authorizing competent persons to make advance declarations regarding mental health treatment; requiring certain notices to be given to the designated agency; amending Minnesota Statutes 1990, sections

253B.03; 253B.18, subdivisions 4b and 5; and 253B.19, subdivision 2.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Mr. Spear; Ms. Berglin and Mr. Belanger.

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

Greenfield 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. 187. 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. 1533, A bill for an act relating to the organization and operation of state government; appropriating money for the protection of the state's environment and natural resources; amending Minnesota Statutes 1990, sections 14.18; 41A.09, subdivision 3; 85A.02, subdivision 17; 103B.321, subdivision 1; and 116P.11.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Morse; Davis; Merriam; Frederickson, D. R., 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

Battaglia 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. 1533. 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. 1535, A bill for an act relating to public administration; appropriating money for education and related purposes to the higher education coordinating board, state board of technical colleges, state board for community colleges, state university board, University of Minnesota, higher education board, and the Mayo medical foundation, with certain conditions; creating the higher education board; merging the state university, community college, and technical college systems; amending Minnesota Statutes 1990, sections 15A.081, subdivision 7b; 135A.03, subdivision 3; 135A.05; 136.11, subdivisions 3, 5, and by adding a subdivision; 136.142, subdivision 1, and by adding a subdivision; 136A.121, subdivision 10, and by adding subdivisions; 136A.233, subdivision 3; 179A.10, subdivision 2; and 298.28, subdivisions 4, 7, 10, 11, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 135A; 136; 136A; 136E; and 298; repealing Minnesota Statutes 1990, section 136A.05, subdivision 2.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Stumpf and Waldorf; Ms. Piper; Mr. 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 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. 1535. 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. 53, A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for regulation of certain activities and practices; providing

for certain rights-of-way; requiring studies and reports; fixing and limiting accounts and fees; amending Minnesota Statutes 1990, sections 10A.02, by adding a subdivision; 12.14; 15A.081, subdivision 1; 16A.662, subdivisions 2, 4, and 5; 41A.09, subdivision 3; 60A.14, subdivision 1; 60A.17, subdivision 1d; 72B.04, subdivision 7; 80C.04, subdivision 1; 80C.07; 80C.08, subdivision 1; 82.22, subdivisions 1, 5, 10, and 11; 115C.09, by adding a subdivision; 129D.04, by adding subdivisions; 129D.05; 138.91; 138.94; 162.02, subdivision 12; 168C.04; 171.06, subdivision 2a; 171.26; 182.651, by adding subdivisions; 182.661, subdivisions 1, 2, 2a, 3, 3a, and by adding subdivisions; 182.664, subdivisions 3 and 5; 182.666, subdivisions 1, 2, 3, 4, 5, and 5a; 182.669, subdivision 1; 184.28, subdivision 2; 184.29; 184A.09; 239.78; 240.02, subdivisions 2 and 3; 240.06, subdivision 8; 240.155; 240.28; 297B.09, subdivision 1; 299F.57, subdivision 1a; 299F.641, subdivision 2; 299K.07; 299K.09, subdivision 2; 336.9-413; 349.12, subdivision 10; 349.151, subdivision 2; 349A.01, subdivisions 5 and 9; 349A.02, subdivision 1; 349A.03, subdivision 1; 349A.10, subdivision 5; and 626.861, subdivisions 1 and 4; Laws 1989, chapter 269, sections 11, subdivision 7; and 31; repealing Minnesota Statutes 1990, sections 182.664, subdivision 2; 240.01, subdivision 15; 349.12, subdivision 12; 349A.01, subdivisions 3, 4, and 6; and 349B.01; and Laws 1989, chapter 322, section 7.

PATRICK E. FLAHAVEN, Secretary of the Senate

Rice moved that the House refuse to concur in the Senate amendments to H. F. No. 53, 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.

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

McGuire moved that the following statement be printed in the permanent Journal of the House:

"It was my intention to vote in the affirmative on Wednesday, May 1, 1991, on the Swenson amendment to H. F. No. 700, the first engrossment, as amended." 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. 53:

Rice, Lieder, Sarna, Kalis and Seaberg.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 187:

Greenfield, Segal and Bishop.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1533:

Battaglia; Wenzel; Osthoff; Johnson, V., and McGuire.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1535:

Carlson, Dorn, Orenstein, Haukoos and Brown.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 1:00 p.m., Monday, May 6, 1991. 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, May 6, 1991.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SEVENTH SESSION — 1991

FORTY-SEVENTH DAY

SAINT PAUL, MINNESOTA, MONDAY, MAY 6, 1991

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

Prayer was offered by Pastor Paul Pfothenhauer, Sr., Woodbury Lutheran Church, Woodbury, 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	Frederick	Knickerbocker	Olson, E.	Skoglund
Anderson, I.	Garcia	Koppendrayner	Olson, K.	Smith
Anderson, R.	Girard	Krinkie	Omann	Solberg
Anderson, R. H.	Goodno	Krueger	Onnen	Sparby
Battaglia	Greenfield	Lasley	Orenstein	Stanius
Bauerly	Gruenes	Leppik	Orfield	Steensma
Beard	Gutknecht	Lieder	Osthoff	Sviggum
Begich	Hanson	Limmer	Ostrom	Swenson
Bertram	Hartle	Long	Ozmet	Thompson
Bettermann	Hasskamp	Lourey	Pauly	Tompkins
Bishop	Haukoos	Lynch	Pellow	Trimble
Blatz	Hausman	Macklin	Pelowski	Tunheim
Bodahl	Heir	Mariani	Peterson	Uphus
Boo	Henry	Marsh	Pugh	Valento
Brown	Hufnagle	McEachern	Reding	Vellenga
Carlson	Hugoson	McGuire	Rest	Wagenius
Carruthers	Jacobs	McPherson	Rice	Waltman
Clark	Janezich	Milbert	Rodosovich	Weaver
Cooper	Jefferson	Morrison	Rukavina	Wejzman
Dauner	Jennings	Munger	Runbeck	Welker
Davids	Johnson, A.	Murphy	Sarna	Welle
Dawkins	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dempsey	Johnson, V.	Nelson, S.	Scheid	Winter
Dille	Kahn	Newinski	Schreiber	Spk. Vanasek
Dorn	Kalis	O'Connor	Seaberg	
Erhardt	Kelso	Ogren	Segal	
Farrell	Kinkel	Olsen, S.	Simoneau	

A quorum was present.

Jaros was excused until 2:10 p.m. Frerichs was excused until 3:00 p.m.

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

S. F. No. 268 and H. F. No. 1170, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Hausman moved that the rules be so far suspended that S. F. No. 268 be substituted for H. F. No. 1170 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 691 and H. F. No. 1473, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Pugh moved that S. F. No. 691 be substituted for H. F. No. 1473 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 837 and H. F. No. 1173, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Hausman moved that S. F. No. 837 be substituted for H. F. No. 1173 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 899 and H. F. No. 916, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Solberg moved that the rules be so far suspended that S. F. No. 899 be substituted for H. F. No. 916 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1034 and H. F. No. 1099, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Segal moved that the rules be so far suspended that S. F. No. 1034 be substituted for H. F. No. 1099 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1315 and H. F. No. 1492, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Morrison moved that the rules be so far suspended that S. F. No. 1315 be substituted for H. F. No. 1492 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

May 1, 1991

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

Dear Representative Vanasek:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 598, relating to insurance; regulating agent rehabilitations and cancellations of agency contracts by fire and casualty companies.

H. F. No. 697, relating to credit unions; providing that credit unions may be designated as depositories of state funds; providing for the election of a supervisory committee; clarifying investment authority of board of directors.

Warmest regards,

ARNE H. CARLSON
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 1991 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 1991</i>	<i>Date Filed 1991</i>
	598	39	11:50 a.m. May 1	May 1
339		40	11:47 a.m. May 1	May 1
	697	42	11:45 a.m. May 1	May 1
6		43	11:43 a.m. May 1	May 1

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

SECOND READING OF SENATE BILLS

S. F. Nos. 268, 691, 837, 899, 1034 and 1315 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Jaros introduced:

H. F. No. 1683, A bill for an act relating to employment; providing assistance to businesses to establish a safe workplace; proposing coding for new law in Minnesota Statutes, chapter 116J.

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

Peterson introduced:

H. F. No. 1684, A bill for an act relating to appropriations; appropriating money from the bond proceeds fund for the construction of a visitor's center at Lac Qui Parle Wildlife Management Area.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce 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. 700, A bill for an act relating to education; providing for general education revenue; transportation; special programs; community service programs; facilities and equipment; other aids and levies; miscellaneous education related programs; library programs; education agency services; art education programs; maximum effort school loan programs; authorizing bonding; appropriating money; amending Minnesota Statutes 1990, sections 120.08, subdivision 3; 120.101, subdivisions 5, 9, and by adding a subdivision; 120.17, subdivisions 3b and 7a; 120.181; 121.11, subdivision 12; 121.148, subdivision 1; 121.15, subdivisions 7 and 9; 121.155; 121.585, subdivision 3; 121.611, subdivision 2; 121.88, subdivisions 9 and 10; 121.882, subdivisions 2, 6, and by adding a subdivision; 121.904, subdivisions 4a and 4e; 121.912, by adding a subdivision; 122.22,

subdivisions 7a and 9; 122.23, subdivisions 2 and 3; 122.242, subdivision 9; 122.531, by adding subdivisions; 122.535, subdivision 6; 123.33, subdivision 1; 123.34, subdivision 9; 123.35, subdivisions 8, 17, and by adding a subdivision; 123.3514, subdivisions 3, 4, 4c, and by adding a subdivision; 123.38, subdivision 2b; 123.702; 123.951; 124.155, subdivision 2; 124.17, subdivisions 1 and 1b; 124.175; 124.19, subdivisions 1, 7, and by adding a subdivision; 124.195, subdivisions 9, 11, and 12; 124.223, subdivisions 1 and 8; 124.225, subdivisions 1, 3a, 7a, 7b, 7d, 8a, 8k, 10, and by adding a subdivision; 124.26, subdivisions 1c and 2; 124.261; 124.2711, subdivisions 1 and 3; 124.2721, subdivisions 1, 2, and 3; 124.2725, subdivisions 6 and 13; 124.273, subdivision 1b; 124.311, subdivision 4; 124.32, subdivisions 1b and 10; 124.332, subdivisions 1 and 2; 124.431, by adding a subdivision; 124.573, subdivisions 2b and 3a; 124.574, subdivision 2b; 124.575, subdivisions 1, 2, 3, and 4; 124.646; 124.83, subdivision 4; 124.86, subdivision 2; 124A.03; 124A.04; 124A.22, subdivisions 2, 4, 5, 8, 9, and by adding subdivisions; 124A.23, subdivisions 1, 4, and 5; 124A.24; 124A.26, subdivision 1; 124A.29, subdivision 1; 124A.30; 124C.03, subdivision 2; 125.12, subdivisions 3, 6b, and by adding subdivisions; 125.17, subdivision 2, and by adding subdivisions; 125.185, subdivisions 4 and 4a; 125.231; 126.22, subdivisions 2 and 4; 126.23; 126.266, subdivision 2; 126.661, subdivision 5, and by adding a subdivision; 126.663, subdivision 2; 126.666, subdivision 2, and by adding subdivisions; 126.67, subdivision 2b; 126.70, subdivisions 1, 2, and 2a; 127.29, by adding a subdivision; 128A.05, subdivision 3; 129C.10; 136D.27, subdivisions 1, 2, and 3; 136D.72, subdivision 1; 136D.74, subdivisions 2, 2a, and 2b; 136D.76, subdivision 2; 136D.87, subdivisions 1, 2, and 3; 141.25, subdivision 8; 141.26, subdivision 5; 145.926; 148.191, subdivision 2; 171.29, subdivision 2; 245A.03, subdivision 2; 260.015, subdivision 19; 268.08, subdivision 6 273.1398, subdivision 6; 275.06; 275.125, subdivisions 4, 5, 5b, 5c, 8b, 8e, and 11d, and by adding a subdivision; 298.28, subdivision 4; Laws 1989, chapter 329, article 6, section 53, as amended; proposing coding for new law in Minnesota Statutes, chapters 3; 120; 121; 123; 124; 125; 134; 373; 473; repealing Minnesota Statutes 1990, sections 3.865; 3.866; 120.011; 121.111; 122.531, subdivision 5; 123.351, subdivision 10; 123.706; 123.707; 123.744; 124.225, subdivisions 3, 4b, 7c, 8b, 8i, 8j; 124.252; 124.575; 124C.01, subdivision 2; 124C.41, subdivisions 6 and 7; 126.70, subdivisions 2 and 2a; 275.125, subdivision 8c; and Laws 1988, chapter 703, article 1, section 23, as amended; Laws 1989, chapter 293, section 82; Laws 1989, chapter 329, articles 4, section 40; 9, section 30; and 12, section 8; Laws 1990, chapter 562, article 6, section 36.

The Senate has appointed as such committee:

Messrs. Dicklich, Dahl and DeCramer; Meses. Olson and Pappas.

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. 1086, A bill for an act relating to the financing and operation of government in Minnesota; establishing a homestead credit trust fund; allowing the imposition of certain local taxes and fees; modifying the administration, computation, collection, and enforcement of taxes and assessments; imposing taxes; changing tax classes, rates, bases, credits, exemptions, withholding, and payments; modifying levy limits and aids to local governments; updating references to the Internal Revenue Code; modifying tax increment financing laws; changing definitions; changing certain bonding provisions; providing for suspension of mandate requirements; providing for certain fund transfers; changing provisions for light rail transit; changing certain eminent domain powers; making technical corrections and clarifications; enacting provisions relating to certain cities, counties, watershed districts, and independent school districts; requiring studies; imposing a fee; imposing a surtax; changing certain provisions relating to certain ambulance and emergency services personnel plans; prescribing penalties; appropriating money; amending Minnesota Statutes 1990, sections 13.51, subdivision 2; 14.03, subdivision 3; 18.022, subdivision 2; 43A.316, subdivision 9; 60A.19, subdivision 8; 69.011, subdivisions 1 and 3; 69.021, subdivisions 4, 6, 7, 8, and 9; 69.54; 84.82, by adding a subdivision; 115B.24, subdivision 2; 116.07, subdivision 4h; 124A.03, subdivision 2, and by adding a subdivision; 138.17, subdivision 1a; 171.06, by adding a subdivision; 268.161, subdivision 1; 270.067, subdivisions 1 and 2; 270.11, subdivision 6; 270.12, subdivision 2, and by adding a subdivision; 270.274, subdivision 1; 270.60; 270.66, subdivision 3; 270.68, subdivision 1; 270.69, subdivisions 2, 8, 9, and by adding a subdivision; 270.70, subdivision 10; 270.75, subdivision 4; 270A.03, subdivision 7; 270B.09; 272.02, subdivision 4; 272.025, subdivision 1; 272.31; 272.479; 272.482; 272.483; 272.485; 272.486; 272.67, subdivision 6; 273.11, subdivision 1, and by adding subdivisions; 273.111, subdivision 6; 273.112, subdivisions 1, 2, 3, and 4; 273.12; 273.124, subdivisions 1, 7, 13, and 14; 273.13, subdivisions 22, 23, 24, 25, 31, 32, and by adding a subdivision; 273.1398, subdivisions 6 and 7; 273.1399, subdivisions 1 and 3; 275.065, subdivisions 1a, 3, 5a, and 6; 275.08, subdivision 1b; 275.125, by adding a subdivision; 275.50, subdivisions 5, 5a, and 5b; 275.51, subdivisions 3f, 3h, and 3j; 275.54, subdivision 3; 276.04, subdivision 2; 276.041; 277.01; 278.01; 279.01, subdivisions 1 and 2; 279.03, subdivision 1a; 279.06; 281.17; 282.01, subdivision 1; 287.22; 289A.01; 289A.02, by adding a subdivision; 289A.08, by adding a

subdivision; 289A.11, subdivision 1; 289A.12, by adding a subdivision; 289A.18, subdivisions 1, 2, and 4; 289A.19, subdivisions 1 and 2; 289A.20, subdivisions 1, 2, 4, and by adding a subdivision; 289A.25, subdivision 10; 289A.26, subdivisions 1, 6, and by adding a subdivision; 289A.30, subdivision 1; 289A.31, subdivision 1; 289A.35; 289A.37, subdivision 1; 289A.38, subdivisions 9, 10, and 12; 289A.42, subdivisions 1 and 2; 289A.50, subdivision 1; 289A.56, subdivision 2; 289A.60, subdivisions 2, 4, 12, 15, and by adding a subdivision; 290.01, subdivisions 19, 19a, 19b, and 19d; 290.014, subdivisions 2, 3, 4, and 5; 290.05, subdivision 3; 290.06, subdivisions 2c, 2d, 21, 22, 23, and by adding subdivisions; 290.067, subdivisions 1 and 2a; 290.068, subdivisions 1, 2, and 5; 290.0802, subdivisions 1 and 2; 290.091, subdivisions 1 and 2; 290.0921, subdivision 8; 290.0922, subdivision 1, and by adding a subdivision; 290.17, subdivisions 1, 2, and 5; 290.191, subdivisions 6, 8, and 11; 290.35, subdivision 3; 290.431; 290.611, subdivision 1; 290.92, subdivisions 1, 4b, 4c, 12, 26, 27, and by adding a subdivision; 290.923, by adding a subdivision; 290.9727, subdivisions 1, 3, and by adding subdivisions; 290A.03, subdivisions 3 and 7; 290A.04, by adding a subdivision; 290A.05; 290A.091; 295.01, subdivision 10; 295.34, subdivision 1; 296.026, subdivisions 2, 7, and by adding a subdivision; 296.14, subdivision 1; 297.01, subdivision 7; 297.03, subdivisions 1, 2, 4, and 6; 297.07, subdivision 5; 297.08, subdivision 1; 297.11, subdivision 1, and by adding subdivisions; 297.35, subdivision 1; 297.43, by adding a subdivision; 297A.01, subdivisions 3, 8, 10, 15, and by adding a subdivision; 297A.02, subdivisions 1, 2, 3, and by adding subdivisions; 297A.14, by adding a subdivision; 297A.15, by adding a subdivision; 297A.21, subdivisions 1 and 4; 297A.211, subdivision 2; 297A.24; 297A.25, subdivisions 1, 10, 11, 12, and by adding a subdivision; 297A.255, subdivision 5; 297A.257, subdivisions 2 and 2a; 297A.259; 297A.44, subdivision 1, and by adding a subdivision; 297B.02, by adding a subdivision; 297B.09, by adding a subdivision; 297C.03, subdivisions 1 and 6; 297C.04; 297C.10, by adding a subdivision; 297D.01, subdivision 3; 297D.02; 297D.04; 297D.05; 297D.07; 297D.09, subdivisions 1 and 1a; 297D.11; 297D.12, subdivision 1; 297D.13, subdivisions 1 and 3; 297D.14; 298.01, subdivisions 3, 4, and by adding subdivisions; 298.015, subdivision 1; 298.16; 298.21; 298.27; 325D.32, subdivision 10, and by adding a subdivision; 325D.415; 336.9-411; 349.212, subdivision 4; 353D.01; 353D.02; 353D.03; 353D.05; 353D.06; 357.18, subdivision 2; 375.192, subdivision 2; 386.46; 398A.04, subdivision 8; 414.031, subdivision 6; 414.0325, subdivision 4; 414.033, subdivision 7; 414.06, subdivision 4; 414.061, subdivision 3; 430.102, subdivisions 3 and 4; 462C.03, subdivision 10; 469.012, subdivision 8; 469.176, subdivision 1; 469.1763, subdivisions 1, 2, 3, 4, and by adding a subdivision; 469.177, subdivisions 1 and 3; 469.1771, subdivisions 2 and 4; 469.179, by adding a subdivision; 469.190, subdivision 7; 473.3994, by adding a subdivision; 473.843, subdivision 3; 473F.01; 473F.02, subdivisions 3, 8, 12, and 13; 473F.05; 473F.06; 473F.07; 473F.08, subdivisions 2, 5, and 6; 473F.09; 473F.13, subdivision 1; 477A.011, subdivisions 27, as amended, and 28, as amended; 477A.012, subdivision 6, as added, and by adding a

subdivision; 477A.013, subdivision 8, as added; 477A.0135, as added; 477A.014, subdivisions 1, as amended, 4, and by adding subdivisions; 477A.015; 477A.03, subdivision 1; 508.25; 508A.25; 515A.1-105, subdivision 1; Laws 1974, chapter 285, section 4, as amended; Laws 1980, chapter 511, section 1, subdivision 2; Laws 1986, chapter 462, section 31; Laws 1987, chapter 268, article 11, section 12; Laws 1989, First Special Session chapter 1, article 14, section 16; Laws 1990, chapter 604, article 2, section 22; article 3, section 46, subdivision 1; and article 6, section 11; proposing coding for new law in Minnesota Statutes, chapters 16A; 117; 268; 270; 272; 273; 275; 276; 277; 290; 295; 296; 297; 297A; 325D; 353D; 373; 451; and 471; repealing Minnesota Statutes 1990, sections 272.487; 272.50; 272.51; 272.52; 272.53; 273.137; 273.1398; 277.02; 277.05; 277.06; 277.07; 277.08; 277.09; 277.10; 277.11; 277.12; 277.13; 289A.19, subdivision 6; 290.068, subdivision 6; 290.069, subdivisions 2a, 4a, and 4b; 290.17, subdivision 7; 290.191, subdivision 7; 290.48, subdivisions 5 and 8; 296.028; 297A.257, subdivisions 1, 2b, and 3; 297A.39, subdivision 9; 298.05; 298.06; 298.07; 298.08; 298.09; 298.10; 298.11; 298.12; 298.13; 298.14; 298.15; 298.19; 298.20; 473F.02, subdivisions 9, 11, 16, 17, 18, 19, and 20; 473F.12; 473F.13, subdivisions 2 and 3; 477A.011; 477A.012; 477A.013; 477A.014; 477A.015; 477A.016; 477A.017; and 477A.03; Laws 1986, chapter 399, article 1, section 5; and Laws 1989, chapter 277, article 4, section 2.

The Senate has appointed as such committee:

Messrs. Johnson, D. J.; Frederickson, D. J., and Pogemiller; Ms. Reichgott and Mr. Price.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVER, 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. 238, A bill for an act relating to consumer protection; prohibiting the provision of a credit card number as a condition of check cashing or acceptance; proposing coding for new law in Minnesota Statutes, chapter 325F.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Wejzman moved that the House concur in the Senate amendments

to H. F. No. 238 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 238, A bill for an act relating to consumer protection; prohibiting the provision of a credit card number as a condition of check cashing or acceptance; prohibiting certain uses of consumer identification information; 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 126 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Girard	Krinkie	Omann	Solberg
Anderson, R.	Goodno	Krueger	Orenstein	Sparby
Anderson, R. H.	Greenfield	Lasley	Orfield	Stanius
Battaglia	Gruenes	Leppik	Osthoff	Steensma
Bauerly	Gutknecht	Lieder	Ostrom	Sviggum
Beard	Hanson	Long	Ozment	Swenson
Begich	Hartle	Lourey	Pauly	Thompson
Bertram	Hasskamp	Lynch	Pellow	Tompkins
Bettermann	Haukoos	Macklin	Pelowski	Trimble
Bishop	Hausman	Mariani	Peterson	Tunheim
Bodahl	Heir	Marsh	Pugh	Uphus
Boo	Henry	McEachern	Reding	Valento
Brown	Hufnagle	McGuire	Rest	Vellenga
Carlson	Hugoson	McPherson	Rice	Wagenius
Carruthers	Jacobs	Milbert	Rodosovich	Waltman
Clark	Janezich	Morrison	Rukavina	Weaver
Cooper	Jefferson	Munger	Runbeck	Wejcmán
Dauner	Jennings	Murphy	Sarna	Welker
Davids	Johnson, A.	Nelson, K.	Schafer	Welle
Dawkins	Johnson, R.	Nelson, S.	Scheid	Wenzel
Dempsey	Johnson, V.	Newinski	Schreiber	Winter
Dorn	Kalis	O'Connor	Seaberg	Spk. Vanasek
Erhardt	Kelso	Ogren	Segal	
Farrell	Kinkel	Olsen, S.	Simoneau	
Frederick	Knickerbocker	Olson, E.	Skoglund	
Garcia	Koppendrayner	Olson, K.	Smith	

Those who voted in the negative were:

Limmer Onnen

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. 601, 822, 931, 979, 1224, 204, 762, 788, 946, 1053, 1178, 331 and 1153.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 601, A bill for an act relating to commerce; providing a definition of "signed" for purposes of credit agreements; amending Minnesota Statutes 1990, section 513.33, subdivision 1.

The bill was read for the first time.

Uphus moved that S. F. No. 601 and H. F. No. 895, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 822, A bill for an act relating to the environment; responsible person for removal and remediation of hazardous waste; providing that the state, an agency of the state, or a political subdivision that acquires property through eminent domain or through negotiated purchase following the filing of eminent domain petition, or any person acquiring from the condemning authority, is not liable as a responsible person solely because of the acquisition; clarifying the status of mortgagees and contract for deed vendors as responsible persons; amending Minnesota Statutes 1990, section 115B.03, by adding subdivisions.

The bill was read for the first time.

Pugh moved that S. F. No. 822 and H. F. No. 1280, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 931, A bill for an act relating to waste management; requiring counties to prepare and amend solid waste management plans; requiring counties and solid waste facilities to develop and implement problem materials management plans; prohibiting issuance and renewal of certain permit if plans are not developed and implemented; amending Minnesota Statutes 1990, sections 115A.03, subdivision 24a; 115A.46, subdivisions 1 and 2; 115A.956; 115A.96, subdivision 6; 116.07, subdivisions 4j and 4k; 473.149, subdivision 1; and 473.803, subdivision 1.

The bill was read for the first time.

Orfield moved that S. F. No. 931 and H. F. No. 1635, now on

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

S. F. No. 979, A bill for an act relating to crimes; providing that it is a misdemeanor to sell a toxic substance containing butane to a minor; moving certain misdemeanor provisions to the criminal code; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1990, sections 145.38; 145.385; and 145.39.

The bill was read for the first time.

Clark moved that S. F. No. 979 and H. F. No. 1196, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1224, A bill for an act relating to retirement; state unclassified employees retirement program; permitting plan participants who move to unclassified positions not covered by the plan to elect to participate in the plan; amending Minnesota Statutes 1990, section 352D.02, by adding a subdivision.

The bill was read for the first time.

Reding moved that S. F. No. 1224 and H. F. No. 1534, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 204, A bill for an act relating to consumer protection; providing for the regulation of credit service organizations; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 332.

The bill was read for the first time.

Carruthers moved that S. F. No. 204 and H. F. No. 603, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 762, A bill for an act relating to health; changing restrictions on disclosing birth record of a child born to an unmarried woman; amending Minnesota Statutes 1990, section 144.225, subdivisions 2 and 4.

The bill was read for the first time.

Dawkins moved that S. F. No. 762 and H. F. No. 197, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 788, A bill for an act relating to privacy; prohibiting release of health records without patient consent; imposing civil liability; amending Minnesota Statutes 1990, section 144.335, by adding a subdivision.

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

S. F. No. 946, A bill for an act relating to elections; changing the prohibition on school events on election day; amending Minnesota Statutes 1990, section 204C.03, subdivision 3.

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

S. F. No. 1053, 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 1990, sections 3C.04, subdivision 3; 14.47, subdivision 5; 15.39, subdivision 2; 15.45, subdivision 1; 16B.06, subdivision 2a; 16B.19, subdivision 2b; 16B.21, subdivision 1; 16B.405, subdivision 2; 18B.05, subdivision 1; 27.138, subdivision 4; 41A.066, subdivision 1; 60A.13, subdivision 3a; 60B.25; 62E.19, subdivision 1; 84B.09; 86B.415, subdivision 1; 89.37, subdivision 4; 97A.101, subdivision 2; 103A.405; 103B.211, subdivision 4; 103F.215, subdivision 1; 103G.545, subdivision 2; 115A.06, subdivision 4; 115B.25, subdivision 4; 115B.26, subdivisions 1 and 4; 115B.30, subdivision 1; 115B.31; 115B.32, subdivision 1; 115B.33, subdivision 1; 115B.34; 115B.36; 115C.08, subdivision 5; 115D.02; 116.733; 116J.68, subdivision 2; 121.88, subdivision 5; 123.702, subdivision 2; 124.195, subdivision 9; 124.225, subdivision 8; 124.245, subdivision 6; 124A.036, subdivision 5; 125.032, subdivision 2; 126.036; 126.071, subdivision 1; 127.19; 136.82, subdivision 1; 144.49, subdivision 8; 144.804, subdivision 1; 144.8097, subdivision 2; 144A.29, subdivisions 2 and 3; 147.01, subdivision 1; 148.03; 148.52; 148.90, subdivision 3; 150A.02, subdivision 1; 151.03; 152.022, subdivision 1; 152.023, subdivision 2; 153.02; 154.22; 156.01; 161.17, subdivision 2; 168.325, subdivision 3; 222.63, subdivision 4; 237.161, subdivision 1; 256.035, subdivision 8; 256B.059, subdivision 4; 268.38, subdivision 12; 270.42; 273.1392; 273.1398, subdivision 5a; 275.065, subdivision 1; 275.50, subdivision 5; 290A.04, subdivision 2h; 297A.25, subdivision 8; 298.17; 299A.24, subdivision 1; 299A.41, subdivision 1; 299F.361, subdivision 1; 299F.451, subdivision 1; 299F.72, subdivision 1; 317A.021, subdivi-

sion 7; 325E.045, subdivision 1; 326.04; 341.01; 354A.094, subdivision 7; 356.215, subdivision 4d; 356.216; 384.14; 386.63, subdivision 1; 400.03, subdivision 1; 423.806, subdivision 1; 446A.10, subdivision 2; 469.129, subdivision 1; 473.844, subdivision 1; 473.845, subdivision 1; 508.36; 529.16; 551.05, subdivision 1; 571.75, subdivision 2; 571.81, subdivision 2; 604.06; 609.531, subdivision 1; 609.892, subdivision 1; Laws 1990, chapter 562, article 8, section 38; chapter 602, article 2, section 10; and chapter 606, article 4, section 1, subdivisions 2 and 6; reenacting Minnesota Statutes 1988, section 169.126, subdivision 2, as amended; repealing Minnesota Statutes 1990, sections 103B.211, subdivision 5; 103I.005, subdivision 18; 117.31; 124.47; 171.015, subdivision 4; 299F.362, subdivision 8; 474A.081, subdivisions 1, 2, and 4; 593.40, subdivision 6; and 626A.21.

The bill was read for the first time.

Milbert moved that S. F. No. 1053 and H. F. No. 1052, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1178, A bill for an act relating to elections; allowing school meetings on certain election days; amending Minnesota Statutes 1990, section 204C.03, subdivision 3.

The bill was read for the first time.

Weaver moved that S. F. No. 1178 and H. F. No. 943, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 331, A bill for an act relating to aeronautics; requiring that local governments report airport development; proposing coding for new law in Minnesota Statutes, chapter 360.

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

S. F. No. 1153, A bill for an act relating to the legislature; leave of absences for service; making it clear that leaves of absence must be granted whenever attending to public business; amending Minnesota Statutes 1990, section 3.088, subdivision 1.

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

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Simoneau requested immediate consideration of H. F. No. 1631.

H. F. No. 1631 was reported to the House.

Kahn moved to amend H. F. No. 1631, the second engrossment, as follows:

Page 13, line 46, delete "\$777,946" and insert "\$780,497"

Adjust the totals accordingly

The motion prevailed and the amendment was adopted.

Kahn moved to amend H. F. No. 1631, the second engrossment, as amended, as follows:

Page 14, line 55, delete "SLAM-DUNK" and insert "SLAM"

Page 15, line 1, delete "developing"

Page 15, line 2, delete everything before the comma

Page 15, line 3, delete "SLAM-DUNK" and insert "SLAM"

Page 15, line 6, delete "SLAM-DUNK" and insert "SLAM"

Page 90, line 21, delete "SLAM-DUNK" and insert "SLAM"

The motion prevailed and the amendment was adopted.

Kahn moved to amend H. F. No. 1631, the second engrossment, as amended, as follows:

Page 45, line 23, delete "Statutory changes"

Page 45, delete lines 24 to 29 and insert "When a statutory change affects reporting and data collection requirements for local units of government, the state agency most responsible for the data collected and reported by the local units of government must file a computer impact statement with the office within 60 days of the final enactment of the statutory change. The statement must indicate the anticipated data processing costs associated with the change."

The motion prevailed and the amendment was adopted.

Bishop, Kahn and Simoneau moved to amend H. F. No. 1631, the second engrossment, as amended, as follows:

Page 47, line 24, delete "every" and insert "an"

Page 47, line 28, delete "in other state agencies"

Page 47, line 32, after "job" insert "in the same, an equal or a lower classification"

The motion prevailed and the amendment was adopted.

Stanius, Krinkie, Morrison, Smith, Onnen, Limmer, Heir, Omann, Pauly, Sviggum, Lynch, Koppendrayer, McPherson and Haukoos moved to amend H. F. No. 1631, the second engrossment, as amended, as follows:

Page 14, line 55, delete "SLAM-DUNK" and insert "CORE"

Page 14, line 60, delete everything after "commission" and insert "on reform and efficiency (CORE)."

Page 15, delete lines 1 to 3

Page 15, line 6, delete "SLAM-DUNK" and insert "CORE"

Page 90, line 21, delete "SLAM-DUNK" and insert "CORE"

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 61 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Omann	Steensma
Anderson, R.	Girard	Koppendrayer	Onnen	Sviggum
Anderson, R. H.	Goodno	Krinkie	Ostrom	Swenson
Bettermann	Gruenes	Leppik	Ozment	Tompkins
Blatz	Gutknecht	Limmer	Pauly	Uphus
Boo	Hartle	Lynch	Pellow	Valento
Carruthers	Haukoos	Macklin	Peterson	Waltman
Cooper	Heir	Marsh	Runbeck	Weaver
Dauner	Henry	McPherson	Schafer	Welker
Dauids	Hufnagle	Morrison	Schreiber	
Dempsey	Hugoson	Nelson, S.	Seaberg	
Dille	Jennings	Newinski	Smith	
Erhardt	Johnson, V.	Olsen, S.	Stanius	

Those who voted in the negative were:

Anderson, I.	Greenfield	Long	Orfield	Solberg
Battaglia	Hanson	Lourey	Osthoff	Sparby
Bauerly	Hausman	Mariani	Pelowski	Thompson
Beard	Jacobs	McEachern	Pugh	Trimble
Begich	Janezich	McGuire	Reding	Tunheim
Bertram	Jefferson	Milbert	Rest	Vellenga
Bodahl	Johnson, A.	Munger	Rice	Wagenius
Brown	Johnson, R.	Murphy	Rodosovich	Wejcman
Carlson	Kahn	Nelson, K.	Rukavina	Welle
Clark	Kalis	O'Connor	Sarna	Wenzel
Dawkins	Kelso	Ogren	Scheid	Winter
Dorn	Kinkel	Olson, E.	Segal	Spk. Vanasek
Farrell	Krueger	Olson, K.	Simoneau	
Garcia	Lieder	Orenstein	Skoglund	

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

Tompkins moved to amend H. F. No. 1631, the second engrossment, as amended, as follows:

Page 8, line 27, delete "124" and insert "121"

Page 9, delete lines 7 to 13

Correct figures accordingly

A roll call was requested and properly seconded.

The question was taken on the Tompkins amendment and the roll was called. There were 57 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Johnson, V.	Newinski	Stanius
Anderson, R.	Girard	Knickerbocker	Olsen, S.	Sviggum
Anderson, R. H.	Goodno	Koppendrayer	Omann	Swenson
Bettermann	Gruenes	Krinkie	Onnen	Tompkins
Blatz	Gutknecht	Leppik	Ozment	Uphus
Boo	Hartle	Limmer	Pellow	Valento
Dauner	Haukoos	Lynch	Pelowski	Waltman
Dauids	Heir	Macklin	Runbeck	Weaver
Dempsey	Henry	Marsh	Schafer	Welker
Dille	Hufnagle	McPherson	Schreiber	
Dorn	Hugoson	Morrison	Seaberg	
Erhardt	Jennings	Nelson, S.	Smith	

Those who voted in the negative were:

Anderson, I.	Bodahl	Dawkins	Hausman	Johnson, R.
Battaglia	Brown	Farrell	Jacobs	Kahn
Bauerly	Carlson	Garcia	Janezich	Kalis
Beard	Carruthers	Greenfield	Jaros	Kelso
Begich	Clark	Hanson	Jefferson	Kinkel
Bertram	Cooper	Hasskamp	Johnson, A.	Krueger

Lasley	Murphy	Ostrom	Scheid	Tunheim
Lieder	Nelson, K.	Peterson	Segal	Vellenga
Long	O'Connor	Pugh	Simoneau	Wagenius
Lourey	Ogren	Reding	Skoglund	Wejzman
Mariani	Olson, E.	Rest	Solberg	Welle
McEachern	Olson, K.	Rice	Sparby	Wenzel
McGuire	Orenstein	Rodosovich	Steensma	Winter
Milbert	Orfield	Rukavina	Thompson	Spk. Vanasek
Munger	Osthoff	Sarna	Trimble	

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

Winter; Dorn; Olson, K.; McEachern; Steensma; Nelson, S.; Dauner; Rukavina; Bauerly; Kalis; Brown; Welle; Cooper; Reding; Bodahl; Peterson; Lasley; Johnson, R.; Garcia; Olson, E., and Lourey moved to amend H. F. No. 1631, the second engrossment, as amended, as follows:

Page 8, after line 25, insert:

“\$20,000 the first year is for the Council of Great Lakes Governors.

During the biennium any seminars or training sessions regarding federal issues for federal budgeting that are conducted by the Washington office shall be made available to legislators and legislative staff. The Washington office shall notify the legislature regarding the timing of such seminars.”

Page 13, after line 39, insert:

“\$2,900,000 the first year and \$2,900,000 the second year are for costs relating to transfer of duties from the state planning agency.”

Page 15, line 26, delete “9,578,000” and delete “2,769,000”

Page 15, delete lines 27 to 59 and insert:

“1992

Approved	Transferred	
Complement –		60
General –		30
Revolving –		22
Federal –		8”

Page 16, delete lines 1 to 34

Page 17, after line 34, insert:

“\$689,755 the first year is for costs relating to abolition of positions in the state planning agency.”

Page 20, after line 47, insert:

“The department of trade and economic development shall examine the community resources program, evaluate the effectiveness of the program, and make recommendations to the appropriate committees of the legislature for necessary improvements. The department shall also study possible expansion of the community resources program into inner-ring suburbs adjoining cities of the first class, and report to the appropriate committees of the legislature by January 1, 1992.

\$377,000 the first year and \$377,000 the second year are for regional planning grants to regional development commissions organized under Minnesota Statutes, sections 462.381 to 462.396.

Until June 30, 1993, for state and federal grants distributed by state agencies to regions of the state not having a regional development commission, the state agency administering the grant program may assess the program for administrative costs incurred by the agency that normally are incurred by the commission.”

Page 135, delete lines 25 and 26

Correct internal references

Adjust the totals accordingly

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Winter et al amendment and the roll was called. There were 72 yeas and 56 nays as follows:

Those who voted in the affirmative were:

Abrams	Garcia	Kinkel	Ostrom	Sparby
Anderson, I.	Gutknecht	Krinkie	Ozment	Steensma
Anderson, R.	Hanson	Lasley	Pelowski	Sviggum
Bauerly	Hartle	Lieder	Peterson	Thompson
Beard	Hasskamp	Long	Pugh	Tunheim
Begich	Hausman	Lourey	Reding	Uphus
Bertram	Jacobs	McEachern	Rice	Wejzman
Bodahl	Janezich	McGuire	Rodosovich	Welker
Brown	Jaros	Milbert	Rukavina	Welle
Carruthers	Jefferson	Nelson, S.	Sarna	Wenzel
Clark	Jennings	O'Connor	Scheid	Winter
Cooper	Johnson, A.	Olson, E.	Segal	Spk. Vanasek
Dauner	Johnson, R.	Olson, K.	Simoneau	
Dorn	Kalis	Orenstein	Skoglund	
Farrell	Kelso	Orfield	Solberg	

Those who voted in the negative were:

Anderson, R. H.	Girard	Leppik	Omann	Swenson
Battaglia	Goodno	Limmer	Onnen	Tompkins
Bettermann	Haukoos	Lynch	Osthoff	Trimble
Bishop	Heir	Macklin	Pauly	Valento
Blatz	Henry	Marsh	Pellow	Vellenga
Boo	Hufnagle	McPherson	Rest	Wagenius
Carlson	Hugoson	Morrison	Runbeck	Waltman
Davids	Johnson, V.	Munger	Schafer	Weaver
Dawkins	Kahn	Murphy	Schreiber	
Dempsey	Knickerbocker	Nelson, K.	Seaberg	
Erhardt	Koppendrayer	Newinski	Smith	
Frederick	Krueger	Olsen, S.	Stanius	

The motion prevailed and the amendment was adopted.

Runbeck, Hufnagle, Gruenes, Smith, Pauly, Erhardt, Goodno, Morrison, Sviggum, Bettermann, Waltman and Anderson, R. H., moved to amend H. F. No. 1631, the second engrossment, as amended, as follows:

Page 36, after line 9, insert:

“Sec. 46. Minnesota Statutes 1990, section 16A.18, is amended to read:

16A.18 [ACCOUNTING, PAYROLL FOR COURTS, ~~LEGISLATURE.~~]

The judicial ~~and legislative branches~~ are branch is not required to use the state accounting system or a computerized payroll system.”

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 Runbeck et al amendment and the roll was called. There were 57 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Abrams	Goodno	Knickerbocker	Omann	Stanius
Anderson, R. H.	Gruenes	Koppendrayer	Onnen	Sviggunn
Bettermann	Gutknecht	Krinkie	Ostrom	Swenson
Blatz	Hartle	Leppik	Ozment	Tompkins
Boo	Hasskamp	Limmer	Pauly	Uphus
Davids	Haukoos	Lynch	Pellow	Valento
Dempsey	Heir	Macklin	Pelowski	Waltman
Dille	Henry	Marsh	Runbeck	Weaver
Dorn	Hufnagle	McPherson	Schafer	Welker
Erhardt	Hugoson	Morrison	Schreiber	
Frederick	Jennings	Newinski	Seaberg	
Girard	Johnson, V.	Olsen, S.	Smith	

Those who voted in the negative were:

Anderson, I.	Farrell	Krueger	Olson, E.	Skoglund
Anderson, R.	Garcia	Lasley	Olson, K.	Solberg
Battaglia	Greenfield	Lieder	Orenstein	Sparby
Bauerly	Hanson	Long	Orfield	Steensma
Beard	Hausman	Lourey	Osthoff	Thompson
Begich	Jacobs	Mariani	Peterson	Trimble
Bertram	Janezich	McEachern	Pugh	Tunheim
Bodahl	Jaros	McGuire	Reding	Vellenga
Brown	Jefferson	Milbert	Rest	Wagenius
Carlson	Johnson, A.	Munger	Rice	Wejzman
Carruthers	Johnson, R.	Murphy	Rodosovich	Welle
Clark	Kahn	Nelson, K.	Sarna	Wenzel
Cooper	Kalis	Nelson, S.	Scheid	Winter
Dauner	Kelso	O'Connor	Segal	Spk. Vanasek
Dawkins	Kinkel	Ogren	Simoneau	

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

Weaver moved to amend H. F. No. 1631, the second engrossment, as amended, as follows:

Page 48, delete section 63

Page 72, delete section 88

Page 91, delete lines 31 to 34

Renumber the remaining subdivisions

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 Weaver amendment and the roll was called. There were 17 yeas and 111 nays as follows:

Those who voted in the affirmative were:

Bettermann	Frederick	Koppendrayner	Runbeck	Welker
Davids	Frerichs	Krinkie	Schreiber	
Dempsey	Gutknecht	Lynch	Seaberg	
Erhardt	Haukoos	McPherson	Weaver	

Those who voted in the negative were:

Abrams	Girard	Krueger	Omann	Solberg
Anderson, I.	Goodno	Lasley	Onnen	Sparby
Anderson, R.	Greenfield	Leppik	Orenstein	Stanisus
Anderson, R. H.	Gruenes	Lieder	Orfield	Steensma
Battaglia	Hanson	Limmer	Osthoff	Sviggum
Bauerly	Hartle	Long	Ostrom	Swenson
Beard	Hausman	Lourey	Pauly	Thompson
Begich	Heir	Macklin	Pellow	Tompkins
Bertram	Henry	Mariani	Pelowski	Trimble
Blatz	Hufnagle	Marsh	Peterson	Tunheim
Bodahl	Hugoson	McEachern	Pugh	Uphus
Boo	Jacobs	McGuire	Reding	Vellenga
Brown	Janezich	Milbert	Rest	Wagenius
Carlson	Jaros	Morrison	Rice	Waltman
Carruthers	Jefferson	Munger	Rodosovich	Wejzman
Clark	Jennings	Murphy	Rukavina	Welle
Cooper	Johnson, A.	Nelson, K.	Sarna	Wenzel
Dauner	Johnson, R.	Nelson, S.	Schafer	Winter
Dawkins	Johnson, V.	Newinski	Scheid	Spk. Vanasek
Dille	Kahn	O'Connor	Segal	
Dorn	Kalis	Ogren	Simoneau	
Farrell	Kelso	Olsen, S.	Skoglund	
Garcia	Knickerbocker	Olson, K.	Smith	

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

The Speaker called Krueger to the Chair.

Dille moved to amend H. F. No. 1631, the second engrossment, as amended, as follows:

Page 76, after line 15, insert:

“Sec. 95. Minnesota Statutes 1990, section 490.124, subdivision 4, is amended to read:

Subd. 4. [DISABILITY RETIREMENT.] From and after disability retirement date, a disabled judge shall be entitled to continuation of the judge’s full salary payable by the judge’s employer, as if the judge’s office were not vacated by retirement, for a period of up to ~~two~~ one full years year, but in no event beyond the judge’s mandatory retirement date. Thereafter a disability retirement annuity computed as provided in subdivision 1 shall be paid, provided that the judge shall receive a minimum annuity of 25 percent of the judge’s final average compensation.”

Page 92, after line 23, insert:

“Subd. 9. [JUDGES’ DISABILITY RETIREMENT.] Section 95 is effective for disability retirement dates occurring after June 30, 1991.”

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

O’Connor, Osthoff, Reding, Farrell, Gutknecht, Mariani, Knickerbocker and Johnson, R., moved to amend H. F. No. 1631, the second engrossment, as amended, as follows:

Page 93, after line 29, insert:

“ARTICLE 3

Section 1. Minnesota Statutes 1990, section 69.031, subdivision 5, is amended to read:

Subd. 5. [DEPOSIT OF STATE AID.] (1) The municipal treasurer, on receiving the fire state aid, shall within 30 days after receipt transmit it to the treasurer of the duly incorporated firefighters’ relief association if there is one organized and the association has filed a financial report with the municipality; but if there is no relief association organized, or if any association dissolve, be removed, or has heretofore dissolved, or has been removed as trustees of state

aid, then the treasurer of the municipality shall keep the money in the municipal treasury as provided for in section 424A.08 and shall be disbursed only for the purposes and in the manner set forth in that section.

(2) The municipal treasurer, upon receipt of the police state aid, shall disburse the police state aid in the following manner:

(a) For a municipality in which a local police relief association exists and all peace officers are members of the association, the total state aid shall be transmitted to the treasurer of the relief association within 30 days of the date of receipt, and the treasurer of the relief association shall immediately deposit the total state aid in the special fund of the relief association;

(b) For a municipality in which police retirement coverage is provided by the public employees police and fire fund and all peace officers are members of the fund, the total state aid shall be applied toward the municipality's employer contribution to the public employees police and fire fund pursuant to section 353.65, subdivision 3, and any state aid in excess of the amount required to meet the employer's contribution pursuant to section 353.65, subdivision 3, shall be deposited in the public employees insurance reserve holding account of the public employees retirement association; or

(c) For a municipality other than a city of the first class with a population of more than ~~300,000~~ 200,000 in which both a police relief association exists and police retirement coverage is provided in part by the public employees police and fire fund, the municipality may elect at its option to transmit the total state aid to the treasurer of the relief association as provided in clause (a), to use the total state aid to apply toward the municipality's employer contribution to the public employees police and fire fund subject to all the provisions set forth in clause (b), or to allot the total state aid proportionately to be transmitted to the police relief association as provided in this subdivision and to apply toward the municipality's employer contribution to the public employees police and fire fund subject to the provisions of clause (b) on the basis of the respective number of active full-time peace officers, as defined in section 69.011, subdivision 1, clause (g).

For a city of the first class with a population of more than ~~300,000~~ 200,000, in addition, the city may elect to allot the appropriate portion of the total police state aid to apply toward the employer contribution of the city to the public employees police and fire fund based on the covered salary of police officers covered by the fund each payroll period and to transmit the balance to the police relief association.

(3) The county treasurer, upon receipt of the police state aid for the county, shall apply the total state aid toward the county's employer

contribution to the public employees police and fire fund pursuant to section 353.65, subdivision 3, and any state aid in excess of the amount required to meet the employer's contribution pursuant to section 353.65, subdivision 3, shall be deposited in the public employees insurance reserve holding account of the public employees retirement association.

Sec. 2. Minnesota Statutes 1990, section 69.77, subdivision 2b, is amended to read:

Subd. 2b. [RELIEF ASSOCIATION FINANCIAL REQUIREMENTS; MINIMUM MUNICIPAL OBLIGATION.] The officers of the relief association shall determine the financial requirements of the relief association and minimum obligation of the municipality for the following calendar year in accordance with the requirements of this subdivision. The financial requirements of the relief association and the minimum obligation of the municipality shall be determined on or before the submission date established by the municipality pursuant to subdivision 2c.

The financial requirements of the relief association for the following calendar year shall be based on the most recent actuarial valuation or survey of the special fund of the association if more than one fund is maintained by the association, or of the association, if only one fund is maintained, prepared in accordance with sections 356.215, subdivisions 4 to 4k and 356.216, as required pursuant to subdivision 2h. If an actuarial estimate is prepared by the actuary of the relief association as part of obtaining a modification of the benefit plan of the relief association and the modification is implemented, the actuarial estimate shall be used in calculating the financial requirements of the relief association.

If the relief association has an unfunded actuarial accrued liability as reported in the most recent actuarial valuation or survey, the total of the amounts calculated pursuant to clauses (a), (b), and (c) shall constitute the financial requirements of the relief association for the following year. If the relief association does not have an unfunded actuarial accrued liability as reported in the most recent actuarial valuation or survey, the amount calculated pursuant to clauses (a) and (b) shall constitute the financial requirements of the relief association for the following year.

(a) The normal level cost requirement for the following year, expressed as a dollar amount, which shall be determined by applying the normal level cost of the relief association as reported in the actuarial valuation or survey and expressed as a percentage of covered payroll to the estimated covered payroll of the active membership of the relief association, including any projected increase in the active membership, for the following year.

(b) To the dollar amount of normal cost thus determined shall be

added an amount equal to the dollar amount of the administrative expenses of the special fund of the association if more than one fund is maintained by the association, or of the association if only one fund is maintained, for the most recent year, multiplied by the factor of 1.035. For a relief association in a municipality, the administrative expenses are those authorized under section 69.80. No amount of administrative expenses under this clause shall be included in the financial requirements of a relief association in a city of the first class with a population of more than ~~300,000~~ 200,000.

(c) To the dollar amount of normal cost and expenses determined under clauses (a) and (b) shall be added an amount equal to the level annual dollar amount which is sufficient to amortize the unfunded actuarial accrued liability by December 31, 2010, as determined from the actuarial valuation or survey of the fund, using an interest assumption set at the rate specified in section 356.215, subdivision 4d. The amortization date specified in this clause shall apply to all local police or salaried firefighters' relief associations and shall supersede any amortization date specified in any applicable special law.

The minimum obligation of the municipality shall be an amount equal to the financial requirements of the relief association reduced by the estimated amount of member contributions from covered salary anticipated for the following calendar year and the estimated amounts anticipated for the following calendar year from the applicable state aid program established pursuant to sections 69.011 to 69.051 receivable by the relief association after any allocation made pursuant to section 69.031, subdivision 5, clause (2), subclause (c) or 423A.01, subdivision 2, clause (6), from the local police and salaried firefighters' relief association amortization aid program established pursuant to section 423A.02 and from the supplementary amortization state-aid program established under Laws 1984, chapter 564, section 48, and Laws 1985, chapter 261, section 17.

Sec. 3. Minnesota Statutes 1990, section 356.216, is amended to read:

356.216 [CONTENTS OF ACTUARIAL VALUATIONS FOR LOCAL POLICE AND FIRE FUNDS.]

(a) The provisions of section 356.215 governing the contents of actuarial valuations shall apply to any local police or fire pension fund or relief association required to make an actuarial report under this section except as follows:

(1) in calculating normal cost and other requirements, if required to be expressed as a level percentage of covered payroll, the salaries used in computing covered payroll shall be the maximum rate of salary from which retirement and survivorship credits and amounts

of benefits are determined and from which any member contributions are calculated and deducted;

(2) in lieu of the amortization date specified in section 356.215, subdivision 4g, the appropriate amortization target date specified in section 69.77, subdivision 2b, or 69.773, subdivision 4, clause (b), shall be used in calculating any required amortization contribution;

(3) in addition to the tabulation of active members and annuitants provided for in section 356.215, subdivision 4i, the member contributions for active members for the calendar year and the prospective annual retirement annuities under the benefit plan for active members shall be reported;

(4) actuarial valuations required pursuant to section 69.773, subdivision 2, shall be made at least every four years and actuarial valuations required pursuant to section 69.77 shall be made annually; and

(5) the actuarial balance sheet showing accrued assets valued at market value if the actuarial valuation is required to be prepared at least every four years or valued as current assets under section 356.215, subdivision 1, clause (6), or paragraph (b), whichever applies, if the actuarial valuation is required to be prepared annually, actuarial accrued liabilities, and the unfunded actuarial accrued liability shall include the following required reserves:

- (a) For active members
 - 1. Retirement benefits
 - 2. Disability benefits
 - 3. Refund liability due to death or withdrawal
 - 4. Survivors' benefits
- (b) For deferred annuitants' benefits
- (c) For former members without vested rights
- (d) For annuitants
 - 1. Retirement annuities
 - 2. Disability annuities
 - 3. Surviving spouses' annuities
 - 4. Surviving children's annuities

In addition to those required reserves, separate items shall be shown for additional benefits, if any, which may not be appropriately included in the reserves listed above.

(6) actuarial valuations shall be due by the first day of the seventh month after the end of the fiscal year which the actuarial valuation covers.

- (b) For a relief association in a city of the first class with a

population of more than ~~300,000~~ 200,000, the following provisions additionally apply:

(1) in calculating the actuarial balance sheet, unfunded actuarial accrued liability, and amortization contribution of the relief association, "current assets" means the value of all assets at cost, including realized capital gains and losses; plus or minus, whichever applies, the average value of total unrealized capital gains or losses for the most recent three-year period ending with the end of the plan year immediately preceding the actuarial valuation report transmission date; and

(2) in calculating the applicable portions of the actuarial valuation, an annual preretirement interest assumption of six percent, an annual postretirement interest assumption of six percent, and an annual salary increase assumption of four percent must be used.

Sec. 4. Minnesota Statutes 1990, section 423A.01, subdivision 2, is amended to read:

Subd. 2. [OPERATION OF LOCAL RELIEF ASSOCIATION UPON MODIFICATION OF RETIREMENT COVERAGE FOR NEWLY HIRED POLICE OFFICERS AND FIREFIGHTERS.] The following provisions shall govern the operation of a local relief association upon the modification of retirement coverage for newly hired police officers or firefighters:

(1) The minimum obligation of a municipality in which the retirement coverage for newly hired police officers or salaried firefighters has been modified pursuant to subdivision 1 with respect to the local relief association shall be determined and governed in accordance with the provisions of sections 69.77, 356.215, and 356.216, except that the normal cost calculation for the relief association shall be computed as a percentage of the compensation paid to the active members of the relief association. The compensation paid to persons with retirement coverage modified pursuant to subdivision 1 shall not be included in any of the computations made in determining the obligation of the municipality with respect to the local relief association.

(2) The contribution rate of members of the local relief association shall be governed by section 69.77, unless a special law establishing a greater member contribution rate is applicable whereupon it shall continue to govern. The member contribution rate of persons with retirement coverage modified pursuant to subdivision 1 shall be governed by section 353.65.

(3) Unless otherwise provided for by law, when every active member of the local relief association retires or terminates from active duty, the local relief association shall cease to exist as a legal entity and the assets of the special fund of the relief association shall

be transferred to a trust fund to be established by the appropriate municipality for the purpose of paying service pensions and retirement benefits to recipient beneficiaries. Recipient beneficiaries who are competent to act on their own behalf shall be entitled to select the prescribed number of trustees of the trust fund as provided in this clause, subject to the approval of the governing body of the municipality. If there are at least five recipient beneficiaries, the trust fund shall be managed by a board of trustees composed of five persons selected by the recipient beneficiaries of the fund. When there are fewer than five recipient beneficiaries, the number of trustees selected by the recipient beneficiaries shall be equal to the number of the remaining recipient beneficiaries. The governing body of the municipality shall select the additional trustees. The term of the elected members of the board of trustees shall be indefinite and shall continue until a vacancy occurs in one of the board of trustee member positions. Board of trustee members shall not be compensated for their services, but shall be reimbursed for any expenses actually and necessarily incurred as a result of the performance of their duties in their capacity as board of trustee members. The municipality shall perform whatever services are necessary to administer the trust fund. When all obligations of the trust fund are paid, the balance of the assets remaining in the trust fund shall revert to the municipality for expenditure for law enforcement or firefighting purposes, whichever is applicable.

(4) The financial requirements of the trust fund and the minimum obligation of the municipality with respect to the trust fund shall be determined in accordance with sections 69.77, 356.215, and 356.216 until the unfunded accrued liability of the trust fund is fully amortized in accordance with section 69.77, subdivision 2b. The municipality shall provide in its annual budget for at least the aggregate amount of service pensions, disability benefits, survivorship benefits, and refunds which are projected as payable for the following calendar year, as determined by the board of trustees of the trust fund, less the amount of assets in the trust fund as of the end of the most current calendar year for which figures are available, valued pursuant to section 356.20, subdivision 4, clause (1)(a), if the difference between those two figures is a positive number.

(5) In calculating the amount of service pensions and other retirement benefits payable from the local relief association and in calculating the amount of any automatic postretirement increases in those service pensions and retirement benefits based on the salary paid or payable to active members or escalated in any fashion, the salary for use as the base for the service pension or retirement benefit calculation and the postretirement increase calculation for the local relief association shall be the salary for the applicable position as specified in the articles of incorporation or bylaws of the relief association as of the date immediately prior to the effective date of the modification of retirement coverage for newly hired personnel pursuant to subdivision 1, as the applicable salary is reset

by the municipality periodically, irrespective of whether retirement coverage for persons holding the applicable position used in calculations is provided by the relief association or by the public employees police and fire fund. If for a local salaried firefighters relief association, the specified position no longer exists because of a reorganization of the fire department as a volunteer fire department, the percentage increase in the salary of the position of a top grade patrol officer in the police department of the municipality must be the basis for service pension and retirement benefit postretirement increase calculations.

(6) If the modification of retirement coverage implemented pursuant to subdivision 1 is applicable to a local police relief association, the police state aid received by the municipality shall be disbursed pursuant to section 69.031, subdivision 5, clause (2)(c). If the modification of retirement coverage implemented pursuant to subdivision 1 is applicable to a local firefighters' relief association, the fire state aid received by the applicable municipality other than a city of the first class with a population of more than ~~300,000~~ 200,000 shall be disbursed as the municipality at its option may elect. The municipality may elect: (a) to transmit the total fire state aid to the treasurer of the local relief association for immediate deposit in the special fund of the relief association; or (b) to apply the total fire state aid toward the employer contribution of the municipality to the public employees police and fire fund pursuant to section 353.65, subdivision 3; or (c) to allocate the total fire state aid proportionately between the special fund of the local relief association and employer contribution of the municipality to the public employees police and fire fund on the basis of the respective number of active full-time salaried firefighters receiving retirement coverage from each.

For a city of the first class with a population of more than ~~300,000~~ 200,000, in addition, the city may elect to allot the appropriate portion of the total fire state aid to apply toward the employer contribution of the city to the public employees police and fire fund based on the covered salary of firefighters covered by the fund each payroll period and to transmit the balance to the firefighters relief association.

Sec. 5. Laws 1989, chapter 319, article 19, section 6, is amended to read:

Sec. 6. [DISPOSITION OF ASSETS UPON CONCLUSION OF BENEFIT PAYMENTS.]

Upon the death of the last benefit recipient and the certification by the chief administrative officer of a city of the first class with a population of more than ~~300,000~~ 200,000 to the state auditor of the absence of any remaining person with a benefit entitlement, the assets of the relief association or trust fund, whichever applies, must revert to the city and may be used by the city only for law

enforcement or firefighting expenditure purposes, whichever applies.

Sec. 6. Laws 1989, chapter 319, article 19, section 7, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of this section, each of the terms in this subdivision have the meanings given them in paragraphs (a) to (h).

(a) "Annual postretirement payment" means the payment of a lump sum postretirement benefit to an eligible member on June 1 following the determination date in any year.

(b) "City" means a city of the first class with a population of more than ~~300,000~~ 200,000.

(c) "Determination date" means December 31 of each year.

(d) "Eligible member" means a person, including a service pensioner, a disability pensioner, a survivor, or dependent of a deceased active member, service pensioner, or disability pensioner, who received a pension or benefit during the 12 months before the determination date. A person who received a pension or benefit for the entire 12 months before the determination date are eligible for a full annual postretirement payment. A person who received a pension or benefit for less than 12 months before the determination date is eligible for a prorated annual postretirement payment.

(e) "Excess investment income" means the amount by which the time weighted total rate of return earned by the fund in the most recent fiscal year has exceeded the actual percentage increase in the current monthly salary of a top grade patrol officer or top grade firefighter, whichever applies, in the most recent fiscal year plus two percent. The excess investment income must be expressed as a dollar amount and may not exceed one percent of the total assets of the fund and does not exist unless the yearly average percentage increase of the time weighted total rate of return of the fund for the previous five years exceeds by two percent the yearly average percentage increase in monthly salary of a top grade patrol officer or top grade firefighter, whichever applies, during the previous five calendar years.

(f) "Fund" means a police relief association or firefighters relief association, whichever applies, located in the city and governed by Minnesota Statutes, section 69.77.

(g) "Relief association" means the police relief association or the firefighters relief association, whichever applies, located in the city.

(h) "Time weighted total rate of return" means the percentage amount determined by using the formula or formulas established by the state board of investment under *Minnesota Statutes, section 11A.04, clause (11)*, and in effect on January 1, 1987.

Sec. 7. Laws 1989, chapter 319, article 19, section 7, subdivision 4, as amended by Laws 1990, chapter 570, article 12, section 63, is amended to read:

Subd. 4. [AMOUNT OF ANNUAL POSTRETIREMENT PAYMENT.] The amount determined under subdivision 3 must be applied in accordance with this subdivision. The relief association in a city of the first class with a population exceeding 300,000 shall apply the first one-half of one percent of assets which constitute excess investment income to the payment of an annual postretirement payment as specified in this subdivision. The relief association in a city of the first class with a population of more than 200,000 but less than 300,000 shall apply the first one-half of assets which constitute excess investment income to the payment of the annual postretirement payment. The second one-half of one percent of assets which constitute excess investment income in a city of the first class with a population exceeding 300,000 shall be applied to reduce the state amortization state aid or supplementary amortization state aid payments otherwise due to the relief association under section 423A.02 for the current calendar year. The remaining one-half of assets constituting excess investment income in a city of the first class with a population of more than 200,000 but less than 300,000 shall likewise be applied to reduce state amortization or supplementary amortization aid payments otherwise due for the current calendar year under section 423A.02 for the current calendar year. The relief association shall pay an annual postretirement payment to all eligible members in an amount not to exceed one-half of one percent of the assets of the fund. Payment of the annual postretirement payment must be in a lump sum amount on June 1 following the determination date in any year. Payment of the annual postretirement payment may be made only if the time weighted total rate of return exceeds by two percent the actual percentage increase in the current monthly salary of a top grade patrol officer or a top grade firefighter, whichever applies, in the most recent fiscal year and the yearly average percentage increase of the time weighted total rate of return of the fund for the previous five years exceeds by two percent the yearly average percentage increase in monthly salary of a top grade patrol officer or a top grade firefighter, whichever applies, of the previous five years. The total amount of all payments to members may not exceed the amount determined under subdivision 3. Payment to each eligible member must be calculated by dividing the total number of pension units to which eligible members are entitled into the excess investment income available for distribution to members, and then multiplying that result by the number of units to which each eligible member is entitled to determine each eligible member's annual postretirement payment.

Payment to each eligible member may not exceed an amount equal to the total monthly benefit that the eligible member was entitled to in the prior year under the terms of the benefit plan of the relief association or each eligible member's proportionate share of the excess investment income, whichever is less. In addition to the provisions of subdivision 1 and this subdivision that require that the time weighted total rate of return earned by the fund in the most recent fiscal year exceeds by two percent the actual percentage increase in the current monthly salary of a top grade patrol officer or a top grade firefighter in the most recent fiscal year, a relief association in a city of the first class with a population of more than 200,000 but less than 300,000 may pay an annual postretirement payment only if the percent of assets to accrued liability equals or exceeds amounts determined as follows:

(1) The relief association shall certify the percent of assets to accrued liability, based on the actuarial valuation for calendar year 1990, and subtract this percent from 100 percent.

(2) The relief association shall divide the remainder in clause (1) by 19.

(3) For calculations made in 1992, the relief association shall add to the base percent in clause (1), the amount calculated under clause (2).

(4) For calculations made in every year after 1992, the relief association shall add to the amount from the previous year, the amount calculated under clause (2).

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective on approval by the St. Paul city council and compliance with Minnesota Statutes, section 645.021. These sections apply to 1990 investment performance, actuarial valuations covering the calendar year ending December 31, 1990, and the annual financial requirements and minimum municipal obligation based on the 1990 actuarial valuation. Sections 1 to 7 are not severable. However, a resolution by the St. Paul city council granting approval pursuant to section 645.021 may apply sections 1 to 7 to either a police fund or to a fire fund or both."

Renumber the articles in sequence

Amend the title accordingly

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

Blatz and Olsen, S., moved to amend H. F. No. 1631, the second engrossment, as amended, as follows:

Page 16, after line 41, insert:

“The commissioner of finance shall determine \$24,000,000 in total expenditure reductions among the legislature, the judicial branch, state agencies, the governor’s office, and the offices of the constitutional officers. The reduction as to each entity shall be determined in proportion to their total general fund appropriation for fiscal years 1992-1993. Once the appropriate amount has been determined as to each entity, the governor shall implement these reductions. To the extent possible, each entity shall implement its budget reduction by reducing expenditures for upper and middle management personnel.”

A roll call was requested and properly seconded.

The question was taken on the Blatz and Olsen, S., amendment and the roll was called. There were 57 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Johnson, V.	Olsen, S.	Swiggum
Anderson, R. H.	Goodno	Knickerbocker	Omann	Swenson
Bettermann	Gruenes	Koppendraye	Onnen	Tompkins
Blatz	Gutknecht	Krinkie	Ozment	Uphus
Boo	Hartle	Leppik	Pauly	Valento
Davids	Hasskamp	Limmer	Pellow	Waltman
Dempsey	Haukoos	Lynch	Pelowski	Weaver
Dille	Heir	Macklin	Runbeck	Welker
Dorn	Henry	Marsh	Schafer	Winter
Erhardt	Hufnagle	McPherson	Schreiber	
Frederick	Hugoson	Morrison	Seaberg	
Frerichs	Jennings	Newinski	Smith	

Those who voted in the negative were:

Anderson, I.	Brown	Farrell	Jaros	Kelso
Battaglia	Carlson	Greenfield	Jefferson	Kinkel
Bauerly	Clark	Hanson	Johnson, A.	Krueger
Beard	Cooper	Hausman	Johnson, R.	Lasley
Begich	Dauner	Jacobs	Kahn	Lieder
Bodahl	Dawkins	Janezich	Kalis	Long

Lourey	O'Connor	Peterson	Simoneau	Tunheim
Mariani	Ogren	Pugh	Skoglund	Vellenga
McEachern	Olson, E.	Rice	Solberg	Wagenius
Milbert	Olson, K.	Rodosovich	Sparby	Wejzman
Munger	Orenstein	Rukavina	Stanius	Welle
Murphy	Orfield	Sarna	Steensma	Wenzel
Nelson, K.	Osthoff	Scheid	Thompson	Spk. Vanasek
Nelson, S.	Ostrom	Segal	Trimble	

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

Morrison, Pelowski, Leppik, Segal, Rukavina, Runbeck and Jefferson moved to amend H. F. No. 1631, the second engrossment, as amended, as follows:

Page 24, lines 49 and 50, delete "\$150,000" and insert "\$500,000"

Adjust the totals accordingly

The question was taken on the Morrison et al amendment and the roll was called. There were 96 yeas and 29 nays as follows:

Those who voted in the affirmative were:

Abrams	Garcia	Krueger	Orfield	Stanius
Anderson, I.	Goodno	Leppik	Ozment	Steensma
Anderson, R.	Gruenes	Lieder	Pauly	Swenson
Anderson, R. H.	Hanson	Limmer	Pellow	Thompson
Battaglia	Hartle	Lourey	Pellowski	Tompkins
Begich	Hasskamp	Lynch	Peterson	Trimble
Bettermann	Heir	Marsh	Pugh	Tunheim
Blatz	Henry	McEachern	Rice	Uphus
Bodahl	Hufnagle	McGuire	Rodosovich	Valento
Boo	Janezich	Milbert	Rukavina	Vellenga
Brown	Jaros	Morrison	Runbeck	Wagenius
Carruthers	Jefferson	Murphy	Sarna	Waltman
Cooper	Jennings	Nelson, S.	Schafer	Weaver
Dauner	Johnson, A.	Newinski	Scheid	Welle
Dawkins	Johnson, R.	Olsen, S.	Schreiber	Wenzel
Dempsey	Johnson, V.	Olson, E.	Seaberg	Winter
Dorn	Kalis	Olson, K.	Segal	
Erhardt	Kelso	Omann	Smith	
Farrell	Kinkel	Onnen	Solberg	
Frederick	Knickerbocker	Orenstein	Sparby	

Those who voted in the negative were:

Beard	Greenfield	Koppendrayer	Munger	Skoglund
Carlson	Gutknecht	Krinkie	Nelson, K.	Sviggum
Clark	Haukoos	Lasley	O'Connor	Wejzman
Davids	Hausman	Long	Ogren	Welker
Frerichs	Hugoson	Mariani	Ostrom	Spk. Vanasek
Girard	Jacobs	McPherson	Reding	

The motion prevailed and the amendment was adopted.

Stanius, Schafer, Hugoson, Davids, Waltman, Girard, Bettermann and Seaberg moved to amend H. F. No. 1631, the second engrossment, as amended, as follows:

Page 21, delete lines 4 and 5 and insert "reinvest in Minnesota program."

A roll call was requested and properly seconded.

POINT OF ORDER

Kahn raised a point of order pursuant to rule 3.09 that the Stanius 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 Stanius et al amendment and the roll was called. There were 53 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Johnson, V.	Olsen, S.	Smith
Anderson, I.	Goodno	Kalis	Olsen, K.	Stanius
Anderson, R.	Gruenes	Kinkel	Omann	Steensma
Anderson, R. H.	Gutknecht	Koppendrayer	Onnen	Sviggum
Bettermann	Hartle	Krinkie	Ostrom	Swenson
Davids	Haukoos	Leppik	Ozment	Thompson
Dempsey	Heir	Limmer	Pauly	Uphus
Dorn	Henry	Macklin	Pellow	Valento
Erhardt	Hufnagle	Marsh	Runbeck	Waltman
Frederick	Hugoson	McPherson	Schafer	
Frerichs	Jennings	Newinski	Seaberg	

Those who voted in the negative were:

Battaglia	Garcia	Long	Orfield	Solberg
Bauerly	Greenfield	Lynch	Osthoff	Sparby
Beard	Hanson	Mariani	Pelowski	Tompkins
Begich	Hausman	McEachern	Peterson	Trimble
Blatz	Jacobs	McGuire	Pugh	Tunheim
Bodahl	Janezich	Milbert	Reding	Vellenga
Boo	Jaros	Morrison	Rice	Wagenius
Brown	Jefferson	Munger	Rodosovich	Weaver
Carlson	Johnson, A.	Murphy	Rukavina	Wejzman
Carruthers	Johnson, R.	Nelson, K.	Sarna	Welker
Clark	Kahn	Nelson, S.	Scheid	Welle
Cooper	Kelso	O'Connor	Schreiber	Winter
Dauner	Krueger	Ogren	Segal	Spk. Vanasek
Dawkins	Lasley	Olson, E.	Simoneau	
Farrell	Lieder	Orenstein	Skoglund	

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

Heir, Stanius, Krinkie, Omann, Pelowski, Waltman and Better-

mann moved to amend H. F. No. 1631, the second engrossment, as amended, as follows:

Page 14, after line 50, insert:

“\$8,108,000 is to provide matching financial assistance to counties for improvements to local emergency telephone services under Minnesota Statutes, section 403.13. The appropriation may be used in either year.”

Page 21, delete lines 2 to 5

Page 62, after line 13, insert:

“Sec. 82. [403.13] [SYSTEM IMPROVEMENTS, GRANTS.]

The department of administration shall provide up to 90 percent of the financial assistance to counties needed for the improvement of local emergency telephone services. Activities eligible for assistance under this section include providing access to minimum 911 service for telephone service subscribers currently without access, upgrading existing 911 emergency service to include automatic location identification or automatic number identification, upgrading communications systems used by 911 emergency service providers, and other improvements in 911 emergency service approved by the department. To be eligible for assistance under this section, a county must assume and pay for ten percent of the costs to implement the improvements and amend its plan under section 403.08 to include the improvements for which the assistance will be requested. The plan amendments must be approved by the department of administration. A county shall apply for assistance under this section in the manner prescribed by the department.

Money appropriated to the department of administration for the purposes of the improved emergency telephone services financial assistance program must be deposited in an account separate from the emergency telephone service account established in section 403.11, subdivision 1.”

Adjust the figures accordingly

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

POINT OF ORDER

Solberg raised a point of order pursuant to rule 3.09 that the Heir 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 Heir et al amendment and the roll was called. There were 50 yeas and 80 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Frerichs	Johnson, R.	McPherson	Smith
Anderson, R.	Girard	Johnson, V.	Murphy	Solberg
Anderson, R. H.	Gruenes	Kinkel	Newinski	Stanius
Bauerly	Gutknecht	Koppendrayner	Omman	Sviggum
Bettermann	Hartle	Krinkie	Onnen	Swenson
Davids	Hasskamp	Limmer	Ozment	Thompson
Dempsey	Haukoos	Lourey	Pellow	Uphus
Dille	Heir	Macklin	Runbeck	Valento
Erhardt	Hugoson	Marsh	Schafer	Waltman
Frederick	Jennings	McEachern	Schreiber	Weaver

Those who voted in the negative were:

Abrams	Garcia	Krueger	Olson, E.	Segal
Battaglia	Goodno	Lasley	Olson, K.	Simoneau
Beard	Greenfield	Leppik	Orenstein	Skoglund
Begich	Hanson	Lieder	Orfield	Sparby
Blatz	Hausman	Long	Osthoff	Steensma
Bodahl	Henry	Lynch	Ostrom	Tompkins
Boo	Hufnagle	Mariani	Pauly	Trimble
Brown	Jacobs	McGuire	Peterson	Tunheim
Carlson	Janezich	Milbert	Pugh	Vellenga
Carruthers	Jaros	Morrison	Reding	Wagenius
Clark	Jefferson	Munger	Rest	Wejzman
Cooper	Johnson, A.	Nelson, K.	Rice	Welker
Dauner	Kahn	Nelson, S.	Rodosovich	Welle
Dawkins	Kalis	O'Connor	Rukavina	Wenzel
Dorn	Kelso	Ogren	Sarna	Winter
Farrell	Knickerbocker	Olsen, S.	Scheid	Spk. Vanasek

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

Sviggum moved to amend H. F. No. 1631, the second engrossment, as amended, as follows:

Page 21, line 2, delete "\$5,004,000" and insert "\$4,397,000"

Page 21, line 3, delete "\$3,104,000" and insert "\$2,500,000"

Adjust the totals 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 78 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Koppendrayer	Newinski	Stanius
Anderson, R.	Goodno	Krinkie	Olsen, S.	Sviggum
Anderson, R. H.	Gruenes	Lasley	Omann	Uphus
Bettermann	Gutknecht	Leppik	Ornen	Valento
Carruthers	Hartle	Limmer	Ozment	Waltman
Davids	Haukoos	Macklin	Pauly	Weaver
Dempsey	Heir	Marsh	Pellow	Welker
Dille	Henry	McEachern	Schafer	
Dorn	Hugoson	McPherson	Schreiber	
Frederick	Johnson, V.	Morrison	Seaberg	
Frerichs	Knickerbocker	Nelson, S.	Smith	

Those who voted in the negative were:

Anderson, I.	Garcia	Kinkel	Orenstein	Skoglund
Battaglia	Greenfield	Krueger	Orfield	Solberg
Bauerly	Hanson	Lieder	Osthoff	Sparby
Beard	Hasskamp	Long	Ostrom	Steensma
Begich	Hausman	Lourey	Peterson	Thompson
Bertram	Hufnagle	Lynch	Pugh	Tompkins
Blatz	Jacobs	Mariani	Reding	Tunheim
Bodahl	Janezich	McGuire	Rest	Vellenga
Boo	Jaros	Milbert	Rice	Wagenius
Brown	Jefferson	Munger	Rodosovich	Wejzman
Carlson	Jennings	Murphy	Rukavina	Welle
Clark	Johnson, A.	Nelson, K.	Runbeck	Wenzel
Cooper	Johnson, R.	O'Connor	Sarna	Winter
Dauner	Kahn	Ogren	Scheid	Spk. Vanasek
Dawkins	Kalis	Olson, E.	Segal	
Farrell	Kelso	Olson, K.	Simoneau	

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

Sviggum offered an amendment to H. F. No. 1631, the second engrossment, as amended.

POINT OF ORDER

Skoglund raised a point of order pursuant to rule 3.09 that the Sviggum amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

Welker, Sviggum, McPherson, Jennings, Gutknecht and Krinkie moved to amend H. F. No. 1631, the second engrossment, as amended, as follows:

Page 9, line 40, delete "327" and insert "325"

Page 10, line 7, delete "2,749,000" and insert "2,647,000" and delete "2,745,000" and insert "2,643,000"

Page 10, delete lines 32 to 38

Adjust the figures accordingly

A roll call was requested and properly seconded.

The question was taken on the Welker et al amendment and the roll was called. There were 58 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Johnson, V.	Olsen, S.	Stanius
Anderson, R.	Girard	Knickerbocker	Omann	Sviggum
Anderson, R. H.	Goodno	Koppendrayer	Onnen	Swenson
Bettermann	Gruenes	Krinkie	Ozment	Tompkins
Blatz	Gutknecht	Leppik	Pauly	Uphus
Boo	Hartle	Limmer	Pellow	Valento
Dauner	Haukoos	Lourey	Pelowski	Waltman
Davids	Heir	Lynch	Runbeck	Weaver
Dempsey	Henry	Macklin	Schafer	Welker
Dille	Hufnagle	Marsh	Schreiber	Winter
Erhardt	Hugoson	McPherson	Seaberg	
Frederick	Jennings	Morrison	Smith	

Those who voted in the negative were:

Anderson, I.	Garcia	Krueger	Olson, E.	Segal
Battaglia	Greenfield	Lasley	Olson, K.	Simoneau
Bauerly	Hanson	Lieder	Orenstein	Skoglund
Beard	Hasskamp	Long	Orfield	Solberg
Begich	Hausman	Mariani	Osthoff	Sparby
Bertram	Jacobs	McEachern	Ostrom	Steensma
Bodahl	Janezich	McGuire	Peterson	Thompson
Brown	Jaros	Milbert	Pugh	Trimble
Carlson	Jefferson	Munger	Reding	Tunheim
Carruthers	Johnson, A.	Murphy	Rest	Vellenga
Clark	Johnson, R.	Nelson, K.	Rice	Wagenius
Cooper	Kahn	Nelson, S.	Rodosovich	Wejcmán
Dawkins	Kalis	Newinski	Rukavina	Welle
Dorn	Kelso	O'Connor	Sarna	Wenzel
Farrell	Kinkel	Ogren	Scheid	Spk. Vanasek

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

Pellow; Olsen, S.; Smith; Anderson, R. H.; Limmer; Heir; Welker; Knickerbocker; Abrams and Jennings offered an amendment to H. F. No. 1631, the second engrossment, as amended.

POINT OF ORDER

Anderson, I., raised a point of order pursuant to rule 3.09 that the

Pellow et al amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

Valento moved to amend H. F. No. 1631, the second engrossment, as amended, as follows:

Page 5, after line 20, insert:

“The legislative auditor shall audit the budget of the house of representatives for the years 1985 to 1991.”

A roll call was requested and properly seconded.

The question was taken on the Valento amendment and the roll was called. There were 63 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Abrams	Garcia	Johnson, V.	Morrison	Seaberg
Anderson, R. H.	Girard	Kelso	Newinski	Smith
Bettermann	Goodno	Knickerbocker	Olsen, S.	Stanisus
Blatz	Gruenes	Koppendrayner	Omann	Sviggum
Bodahl	Gutknecht	Krinkie	Onnen	Swenson
Boo	Hartle	Limmer	Orenstein	Tompkins
Davids	Hasskamp	Lourey	Ostrom	Uphus
Dempsey	Haukoos	Lynch	Ozment	Valento
Dille	Heir	Macklin	Pauly	Waltman
Dorn	Henry	Marsh	Pellow	Weaver
Erhardt	Hufnagle	McGuire	Pelowski	Welker
Frederick	Hugoson	McPherson	Runbeck	
Frerichs	Jennings	Milbert	Schafer	

Those who voted in the negative were:

Anderson, I.	Farrell	Lieder	Peterson	Steensma
Anderson, R.	Greenfield	Long	Pugh	Thompson
Battaglia	Hanson	Mariani	Reding	Trimble
Bauerly	Hausman	McEachern	Rest	Tunheim
Beard	Jacobs	Munger	Rice	Vellenga
Begich	Janezich	Murphy	Rodosovich	Wagenius
Bertram	Jefferson	Nelson, K.	Rukavina	Wejcmann
Brown	Johnson, A.	Nelson, S.	Sarna	Welle
Carlson	Johnson, R.	O'Connor	Scheid	Winter
Carruthers	Kahn	Ogren	Segal	Spk. Vanasek
Clark	Kalis	Olson, E.	Simoneau	
Cooper	Kinkel	Olson, K.	Skoglund	
Dauner	Krueger	Orfield	Solberg	
Dawkins	Lasley	Osthoff	Sparby	

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

Stanisus and Seaberg moved to amend H. F. No. 1631, the second engrossment, as amended, as follows:

Page 21, delete lines 2 to 5

Page 26, after line 49, insert:

“\$4,054,000 is for a scholarship program for members of reserve units of the armed forces of the United States and members of the National Guard. The program shall be administered by the commissioner. This appropriation is available in either year.

\$4,054,000 is for a veterans bonus program for active duty members of the armed forces of the United States, including reserve units and active duty members of the National Guard, who served in Operation Desert Storm/Desert Shield. The program shall be established and administered by the commissioner. This appropriation is available in either year.”

Adjust the figures accordingly

A roll call was requested and properly seconded.

The question was taken on the Stanius and Seaberg amendment and the roll was called. There were 65 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Johnson, V.	Nelson, S.	Schreiber
Anderson, R.	Garcia	Kelso	Newinski	Seaberg
Anderson, R. H.	Girard	Knickerbocker	Olsen, S.	Smith
Bettermann	Goodno	Koppendrayer	Olsen, K.	Stanius
Blatz	Gruenes	Krinkie	Omann	Steensma
Bodahl	Gutknecht	Limmer	Onnen	Sviggum
Brown	Hartle	Lourey	Ostrom	Swenson
Dauner	Haukoos	Lynch	Ozment	Thompson
Davids	Heir	Macktin	Pauly	Uphus
Dempsey	Henry	Marsh	Pellow	Valento
Dille	Hufnagle	McEachern	Pelowski	Waltman
Erhardt	Hugoson	McPherson	Runbeck	Weaver
Frederick	Johnson, R.	Morrison	Schafer	Wenzel

Those who voted in the negative were:

Anderson, I.	Bertram	Clark	Greenfield	Jaros
Battaglia	Bishop	Cooper	Hanson	Jefferson
Bauerly	Boo	Dawkins	Hausman	Jennings
Beard	Carlson	Dorn	Jacobs	Johnson, A.
Begich	Carruthers	Farrell	Janezich	Kahn

Kalis	Munger	Peterson	Segal	Wagenius
Kinkel	Murphy	Pugh	Simoneau	Wejcman
Krueger	Nelson, K.	Reding	Skoglund	Welker
Lasley	O'Connor	Rest	Solberg	Welle
Lieder	Ogren	Rice	Sparby	Winter
Long	Olson, E.	Rodosovich	Tompkins	Spk. Vanasek
Mariani	Orenstein	Rukavina	Trimble	
McGuire	Orfield	Sarna	Tunheim	
Milbert	Osthoff	Scheid	Vellenga	

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

Welker, Valento, Sviggum, Haukoos, Newinski, Smith, Limmer, Krinkie, Boo, Goodno, Uphus, Bettermann, McPherson, Omann, Jennings, Girard and Waltman moved to amend H. F. No. 1631, the second engrossment, as amended, as follows:

Page 3, after line 15, insert:

“The salaries of legislators and constitutional officers shall not be increased during the biennium.”

A roll call was requested and properly seconded.

The question was taken on the Welker et al amendment and the roll was called. There were 115 yeas and 13 nays as follows:

Those who voted in the affirmative were:

Abrams	Farrell	Kelso	Olsen, S.	Segal
Anderson, I.	Frederick	Kinkel	Olson, E.	Skoglund
Anderson, R.	Frerichs	Koppendrayer	Olson, K.	Smith
Anderson, R. H.	Garcia	Krinkie	Omann	Solberg
Bauerly	Girard	Krueger	Onnen	Sparby
Beard	Goodno	Lasley	Orenstein	Stanius
Bertram	Gruenes	Leppik	Orfield	Steensma
Bettermann	Gutknecht	Lieder	Osthoff	Sviggum
Bishop	Hanson	Limmer	Ostrom	Swenson
Blatz	Hartle	Lourey	Ozment	Thompson
Bodahl	Hasskamp	Lynch	Pauly	Tompkins
Boo	Haukoos	Macklin	Pellow	Trimble
Carlson	Hausman	Marsh	Pelowski	Tunheim
Carruthers	Heir	McEachern	Peterson	Uphus
Clark	Henry	McGuire	Pugh	Valento
Cooper	Hufnagle	McPherson	Rest	Vellenga
Dauner	Hugoson	Milbert	Rodosovich	Wagenius
Dauids	Janezich	Morrison	Rukavina	Waltman
Dawkins	Jefferson	Murphy	Runbeck	Weaver
Dempsey	Jennings	Nelson, K.	Schafer	Wejcman
Dille	Johnson, A.	Nelson, S.	Scheid	Welker
Dorn	Johnson, R.	Newinski	Schreiber	Wenzel
Erhardt	Johnson, V.	O'Connor	Seaberg	Winter

Those who voted in the negative were:

Battaglia	Jacobs	Kalis	Sarna	Spk. Vanasek
Begich	Jaros	Long	Simoneau	
Brown	Kahn	Munger	Welle	

The motion prevailed and the amendment was adopted.

Welker moved to amend H. F. No. 1631, the second engrossment, as amended, as follows:

Page 3, after line 17, insert:

“Notwithstanding any law to the contrary, no per diem shall be paid to members of the house of representatives except during a regular session of the legislature.

Notwithstanding any law to the contrary, members of the house of representatives holding leadership positions shall not receive compensation greater than that of other members.”

A roll call was requested and properly seconded.

The question was taken on the Welker amendment and the roll was called. There were 42 yeas and 87 nays as follows:

Those who voted in the affirmative were:

Bettermann	Goodno	Krinkie	Onnen	Sviggunn
Blatz	Gruenes	Limmer	Orfield	Uphus
Davids	Haukoos	Lynch	Pauly	Valento
Dempsey	Heir	Macklin	Pellow	Waltman
Erhardt	Henry	McPherson	Runbeck	Weaver
Farrell	Hufnagle	Morrison	Schafer	Welker
Frederick	Hugoson	Newinski	Seaberg	
Frerichs	Johnson, V.	Olsen, S.	Smith	
Girard	Koppendrayer	Omann	Stanious	

Those who voted in the negative were:

Abrams	Boo	Greenfield	Johnson, R.	Marsh
Anderson, I.	Brown	Gutknecht	Kahn	McEachern
Anderson, R.	Carlson	Hanson	Kalis	Milbert
Anderson, R. H.	Carruthers	Hartle	Kelso	Munger
Battaglia	Clark	Hausman	Kinkel	Murphy
Bauerly	Cooper	Jacobs	Knickerbocker	Nelson, K.
Beard	Dauner	Janezich	Krueger	Nelson, S.
Begich	Dawkins	Jaros	Lasley	O'Connor
Bertram	Dille	Jefferson	Leppik	Ogren
Bishop	Dorn	Jennings	Lieder	Olson, E.
Bodahl	Garcia	Johnson, A.	Lourey	Olson, K.

Orenstein	Reding	Schreiber	Swenson	Wejzman
Osthoff	Rest	Segal	Thompson	Welle
Ostrom	Rice	Simoneau	Tompkins	Wenzel
Ozment	Rodosovich	Skoglund	Trimble	Winter
Pelowski	Rukavina	Solberg	Tunheim	
Peterson	Sarna	Sparby	Vellenga	
Pugh	Scheid	Steensma	Wagenius	

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

Tompkins moved to amend H. F. No. 1631, the second engrossment, as amended, as follows:

Page 84, after line 20, insert:

“Sec. 106. Minnesota Statutes 1990, section 611.35, subdivision 1, is amended to read:

Subdivision 1. Any person who is represented by a public defender or appointive counsel shall, if financially able to pay, reimburse the governmental unit chargeable with the compensation of such public defender or appointive counsel for all or part of the actual costs to the governmental unit in providing the services of the public defender or appointive counsel. Before appointing a public defender or appointive counsel to represent any defendant, the court in hearing such matter shall ascertain must determine the amount of such costs to be charged to the defendant, according to the defendant's ability to pay under a sliding fee scale established by the judicial district in which the court is located, and shall direct reimbursement over a period of not to exceed six months, unless the court for good cause shown shall extend the period of reimbursement. If a term of probation is imposed as a part of a sentence, reimbursement of costs as required by this subdivision may shall be made a condition of probation.”

Renumber the sections in sequence

Amend the title accordingly

The question was taken on the Tompkins amendment and the roll was called. There were 48 yeas and 83 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Henry	Macklin	Pauly
Anderson, R.	Frerichs	Hufnagle	Marsh	Pellow
Anderson, R. H.	Girard	Hugoson	McPherson	Runbeck
Bettermann	Goodno	Johnson, V.	Morrison	Schafer
Blatz	Gruenes	Knickerbocker	Newinski	Schreiber
Boo	Gutknecht	Koppendrayer	Olsen, S.	Seaberg
Davids	Haukoos	Leppik	Omann	Smith
Erhardt	Heir	Lynch	Ozment	Stanius

Sviggum	Tompkins	Valento	Weaver
Swenson	Uphus	Waltman	Welker

Those who voted in the negative were:

Anderson, I.	Farrell	Krinkie	Olson, E.	Simoneau
Battaglia	Garcia	Krueger	Olson, K.	Skoglund
Bauerly	Greenfield	Lasley	Onnen	Solberg
Beard	Hanson	Lieder	Orenstein	Sparby
Begich	Hartle	Limmer	Orfield	Steensma
Bertram	Hausman	Long	Osthoff	Thompson
Bishop	Jacobs	Lourey	Ostrom	Trimble
Bodahl	Janezich	Mariani	Pelowski	Tunheim
Brown	Jaros	McEachern	Peterson	Vellenga
Carlson	Jefferson	McGuire	Pugh	Wagenius
Carruthers	Jennings	Milbert	Reding	Wejzman
Clark	Johnson, A.	Munger	Rest	Welle
Cooper	Johnson, R.	Murphy	Rice	Wenzel
Dauner	Kahn	Nelson, K.	Rodosovich	Winter
Dawkins	Kalis	Nelson, S.	Rukavina	Spk. Vanasek
Dempsey	Kelso	O'Connor	Sarna	
Dorn	Kinkel	Ogren	Segal	

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

Welker, Pugh, Kahn, Krueger, Solberg, Bettermann, Seaberg, Runbeck, Haukoos, Pellow, Dempsey and Tompkins moved to amend H. F. No. 1631, the second engrossment, as amended, as follows:

Page 79, after line 29, insert:

"Sec. 99. Minnesota Statutes 1990, section 611.17, is amended to read:

611.17 [ELIGIBILITY ANALYST; FINANCIAL INQUIRY; STATEMENTS.]

(a) The district court administrator in each judicial district shall appoint an eligibility analyst to screen requests under paragraph (b).

(b) Upon a request for the appointment of counsel, the court shall refer the request to the eligibility analyst. The analyst shall make appropriate inquiry into the financial circumstances of the applicant, who shall submit a financial statement under oath or affirmation setting forth the applicant's assets and liabilities, source or sources of income, and any other information required by the court analyst. The analyst may also require the applicant to produce relevant financial records. The state public defender shall furnish appropriate forms for the financial statements. The information contained in the statement shall be confidential and for the exclusive use of the court and analyst, except for any prosecution under section 609.48. A refusal to execute the financial statement or

produce financial records constitutes a waiver of the right to the appointment of a public defender.”

Page 80, after line 27, insert:

“Sec. 101. Minnesota Statutes 1990, 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 recorded by the court administrator, who shall transfer the payments to the governmental unit responsible for the costs of the public defender. The eligibility analyst appointed under section 611.17 may investigate the financial status of a defendant or other person for whom a public defender has been appointed and may act to collect payments directed by the court.

If at any time after appointment a public defender should have reason to believe that a defendant is financially able to obtain counsel or to make partial payment for counsel, it shall be the public defender's duty to so advise the court so that appropriate action may be taken.”

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

Solberg moved to amend the Welker et al amendment to H. F. No. 1631, the second engrossment, as amended, as follows:

In the Welker amendment, page 1, line 9, delete “shall” and insert “may”

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

The question recurred on the Welker et al amendment to H. F. No. 1631, the second engrossment, as amended. The motion prevailed and the amendment, as amended, was adopted.

Sviggum moved to amend H. F. No. 1631, the second engrossment, as amended, as follows:

Page 3, line 9, delete "47,950,700" and insert "43,155,630" and delete "49,362,700" and insert "44,426,430"

Page 3, line 11, delete "47,918,700" and insert "43,126,830" and delete "49,330,700" and insert "44,397,630"

Page 3, line 12, delete "32,000" and insert "28,800" and delete "32,000" and insert "28,800"

Adjust the figures in this section proportionally to these reductions

Adjust the totals accordingly

A roll call was requested and properly seconded.

The question was taken on the Sviggum amendment and the roll was called. There were 57 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Abrams	Garcia	Johnson, V.	Newinski	Stanius
Anderson, R. H.	Girard	Kelso	Omann	Sviggum
Bettermann	Goodno	Koppendrayer	Onnen	Swenson
Blatz	Gruenes	Krinkie	Ozment	Tompkins
Boo	Gutknecht	Leppik	Pauly	Uphus
Davids	Hartle	Limmer	Pellow	Valento
Dempsey	Hasskamp	Lourey	Pelowski	Waltman
Dille	Haukoos	Lynch	Runbeck	Weaver
Dorn	Heir	Macklin	Schafer	Welker
Erhardt	Henry	Marsh	Schreiber	
Frederick	Hufnagle	McPherson	Seaberg	
Frerichs	Jennings	Morrison	Smith	

Those who voted in the negative were:

Anderson, I.	Carruthers	Janezich	Lasley	O'Connor
Anderson, R.	Clark	Jaros	Lieder	Ogren
Battaglia	Cooper	Jefferson	Long	Olsen, S.
Bauerly	Dawkins	Johnson, A.	Mariani	Olson, E.
Beard	Farrell	Johnson, R.	McEachern	Olson, K.
Begich	Greenfield	Kahn	McGuire	Orenstein
Bertram	Hanson	Kalis	Milbert	Orfield
Bodahl	Hausman	Kinkel	Munger	Osthoff
Brown	Hugoson	Knickerbocker	Murphy	Ostrom
Carlson	Jacobs	Krueger	Nelson, K.	Peterson

Pugh	Rukavina	Skoglund	Trimble	Welle
Reding	Sarna	Solberg	Tunheim	Wenzel
Rest	Scheid	Sparby	Vellenga	Winter
Rice	Segal	Steensma	Wagenius	Spk. Vanasek
Rodosovich	Simoneau	Thompson	Wejzman	

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

H. F. No. 1631, 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 1990, sections 2.722, subdivision 1, and by adding a subdivision; 3.885, subdivisions 3 and 6; 8.06; 14.07, subdivisions 1 and 2; 14.08; 14.26; 15.191, subdivision 1; 15.50, subdivision 3; 15A.081, subdivision 1; 16A.27, subdivision 5; 16A.45, subdivision 1; 16A.641, subdivision 3; 16A.662, subdivision 4; 16A.672, subdivision 9; 16A.69, by adding a subdivision; 16A.721, subdivision 1; 16B.24, subdivisions 5 and 6; 16B.36, subdivision 1; 16B.41, subdivision 2, and by adding a subdivision; 16B.465, subdivision 4; 16B.48, subdivision 2; 17.49, subdivision 1; 62D.122; 62J.02, subdivisions 2 and 3; 69.031, subdivision 5; 69.77, subdivision 2b; 79.34, subdivision 1; 103B.311, subdivision 7; 103B.315, subdivision 5; 103F.761, subdivision 1; 103H.101, subdivision 4; 103H.175, subdivisions 1 and 2; 115A.072, subdivision 1; 116C.03, subdivisions 2, 4, and 5; 116C.712, subdivisions 3 and 5; 116J.8765, by adding a subdivision; 116L.03, subdivisions 1 and 2; 124C.03, subdivisions 2, 3, 8, 9, 10, 12, 14, 15, and 16; 126A.02, subdivisions 1 and 2; 126A.03; 128C.12, subdivision 1; 138.17, subdivision 1; 144.70, subdivision 2; 144A.071, subdivision 5; 145.926, subdivisions 1, 4, 5, 7, and 8; 145A.02, subdivision 16; 145A.09, subdivision 6; 160.276, by adding a subdivision; 214.141; 256H.25, subdivision 1; 268.361, subdivision 3; 271.06, subdivision 4; 271.19; 275.14; 275.51, subdivision 6; 275.54, subdivision 3; 299A.30, subdivision 2; 299A.31, subdivision 1; 299A.40, subdivision 4; 356.215, subdivisions 4d and 4g; 356.216; 357.24; 363.121; 368.01, subdivision 1a; 373.40, subdivision 1; 402.045; 422A.05, by adding subdivisions; 422A.101; 422A.17; 422A.23, subdivision 2; 423A.01, subdivision 2; 462.384, subdivision 7; 462.396, subdivision 2; 466A.05, subdivision 1; 469.203, subdivision 4; 469.207, subdivisions 1 and 2; 473.156, subdivision 1; 474A.03, by adding a subdivision; 477A.011, subdivisions 3 and 3a; 477A.014, subdivision 4; 480.181, by adding a subdivision; 480.24, subdivision 3; 480.242, subdivision 2 and by adding a subdivision; 481.10; 490.124, subdivision 4; 504.34, subdivisions 5 and 6; 590.05; 593.48; 609.101, subdivision 1; 611.14; 611.17; 611.18; 611.20; 611.25, subdivision 1; 611.26, subdivision 6,

and by adding subdivisions; 611.27, subdivisions 1 and 4; 626.861, by adding a subdivision; 643.29, subdivision 1; Laws 1989, chapter 319, article 19, sections 6; and 7, subdivision 1, and subdivision 4, as amended; chapter 335, article 1, section 7; article 3, section 44, as amended; and Laws 1990, chapter 610, article 1, section 27; proposing coding for new law in Minnesota Statutes, chapters 4; 7; 16A; 16B; 43A; 116J; 270; 356; and 471; repealing Minnesota Statutes 1990, sections 3C.035, subdivision 2; 3C.056; 8.15; 14.32, subdivision 2; 40A.02, subdivision 2; 40A.08; 116K.01; 116K.02; 116K.03; 116K.04; 116K.05; 116K.06; 116K.07; 116K.08; 116K.09; 116K.10; 116K.11; 116K.12; 116K.13; 116K.14; 144.861; 144.874, subdivision 7; 480.250; 480.252; 480.254; 480.256; 611.215, subdivision 4; 611.261; 611.28; 611.29; Laws 1989, chapter 335, article 3, section 54, as amended; and Laws 1990, chapter 604, article 9, section 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 83 yeas and 50 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Dorn	Kinkel	Orenstein	Skoglund
Anderson, R.	Farrell	Krueger	Orfield	Solberg
Battaglia	Garcia	Lasley	Osthoff	Sparby
Bauerly	Greenfield	Lieder	Ostrom	Steenasma
Beard	Hanson	Long	Ozment	Thompson
Begich	Hartle	Lourey	Pelowski	Tompkins
Bertram	Hasskamp	Mariani	Peterson	Trimble
Bishop	Hausman	McEachern	Pugh	Tunheim
Bodahl	Jacobs	McGuire	Reding	Vellenga
Brown	Janezich	Milbert	Rest	Wagenius
Carlson	Jefferson	Munger	Rice	Wejzman
Carruthers	Jennings	Murphy	Rodosovich	Welle
Clark	Johnson, A.	Nelson, K.	Rukavina	Wenzel
Cooper	Johnson, R.	Nelson, S.	Sarna	Winter
Dauner	Kahn	O'Connor	Scheid	Spk. Vanasek
Dawkins	Kalis	Ogren	Segal	
Dille	Kelso	Olson, E.	Simoneau	

Those who voted in the negative were:

Abrams	Girard	Knickerbocker	Newinski	Seaberg
Anderson, R. H.	Goodno	Koppendrayer	Olsen, S.	Smith
Bettermann	Gruenes	Krinkie	Olson, K.	Stanius
Blatz	Gutknecht	Leppik	Omann	Sviggum
Boo	Haukoos	Limmer	Onnen	Swenson
Davids	Heir	Lynch	Pauly	Uphus
Dempsey	Henry	Macklin	Pellow	Valento
Erhardt	Hufnagle	Marsh	Runbeck	Waltman
Frederick	Hugoson	McPherson	Schafer	Weaver
Frerichs	Johnson, V.	Morrison	Schreiber	Weiker

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

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

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

H. F. No. 719, A bill for an act relating to the organization and operation of state government; appropriating money for human services, jobs and training, corrections, health, human rights, housing finance, and other purposes with certain conditions; amending Minnesota Statutes 1990, sections 3.922, subdivisions 3 and 8; 3.9223, subdivision 1; 3.9225, subdivision 1; 3.9226, subdivision 1; 15.46; 43A.191, subdivision 2; 103I.235; 120.183; 144.335, subdivision 1; 144A.071, by adding a subdivision; 144A.31; 144A.46, subdivision 4; 144A.51, subdivision 5; 144A.53, subdivision 1; 145.925, by adding a subdivision; 148B.01, subdivision 7; 148B.03; 148B.04, subdivision 4; 148B.05, subdivision 1; 148B.06, subdivisions 1 and 3; 148B.07, subdivisions 1, 4, 7, and 8; 148B.08; 148B.12; 148B.17; 148B.18, subdivision 10; 148B.33, subdivision 1; 148B.38, subdivision 3; 157.031, subdivisions 2, 3, 4, and 9; 171.29, subdivision 2; 198.007; 214.04, subdivision 3; 241.022; 245.461, subdivision 3, and by adding a subdivision; 245.462, subdivisions 6 and 18; 245.465; 245.4711, by adding a subdivision; 245.472, by adding a subdivision; 245.473, by adding subdivisions; 245.484; 245.487, subdivision 4, and by adding a subdivision; 245.4871, subdivisions 27, 31, and by adding a subdivision; 245.4873, subdivision 6; 245.4874; 245.4881, subdivision 1; 245.4882, by adding subdivisions; 245.4884, subdivision 1; 245.4885, subdivisions 1, 2, and by adding a subdivision; 245.697, subdivision 1; 246.18, subdivision 4, and by adding a subdivision; 246.64, subdivision 3; 251.011, subdivision 3; 252.24, by adding a subdivision; 252.27, subdivisions 1a and 2a; 252.275; 252.28, subdivisions 1, 3, and by adding a subdivision; 252.32; 252.40; 252.46, subdivisions 3, 6, 12, 14, and by adding a subdivision; 252.478, subdivisions 1 and 3; 252.50, subdivision 2; 253C.01, subdivisions 1 and 2; 254B.04, subdivision 1; 256.01, subdivisions 2, 11, and by adding a subdivision; 256.025, subdivisions 1, 2, 3, and 4; 256.031; 256.032; 256.033; 256.034; 256.035; 256.036, subdivisions 1, 2, 4, and 5; 256.045, subdivision 10; 256.482, subdivision 1; 256.736, subdivision 3a; 256.82, subdivision 1; 256.871, subdivision 6; 256.935, subdivision 1; 256.936, by adding a subdivision; 256.9365, subdivisions 1 and 3; 256.9685, subdivision 1; 256.9686, subdivisions 1 and 6; 256.969, subdivisions 1, 2, 2c, 3a,

and 6a; 256.9695, subdivision 1; 256.98, by adding a subdivision; 256.983; 256B.031, subdivision 4, and by adding a subdivision; 256B.04, subdivision 16; 256B.055, subdivisions 10 and 12; 256B.057, subdivisions 1, 2, 3, 4, and by adding a subdivision; 256B.0575; 256B.0625, subdivisions 2, 4, 7, 13, 17, 19, 20, 24, 25, 28, 30, and by adding subdivisions; 256B.0627; 256B.064, subdivision 2; 256B.0641, by adding a subdivision; 256B.08, by adding a subdivision; 256B.091, subdivision 8; 256B.092; 256B.093; 256B.19, subdivision 1, and by adding subdivisions; 256B.431, subdivisions 2l, 3e, 3f, and by adding subdivisions; 256B.48, subdivision 1; 256B.49, by adding a subdivision; 256B.491, by adding a subdivision; 256B.50, subdivision 1d; 256B.501, subdivisions 3g, 8, 11, and by adding a subdivision; 256B.64; 256C.24, subdivision 2; 256C.25; 256D.03, subdivisions 2, 2a, 3, and 4; 256D.05, subdivision 6, and by adding a subdivision; 256D.051, subdivisions 1, 1a, 3a, 6, and 8; 256D.052, subdivision 3; 256D.06, subdivision 1b; 256D.07; 256D.10; 256D.101, subdivisions 1 and 3; 256D.36, subdivision 1; 256D.44, by adding a subdivision; 256F.01; 256F.02; 256F.03, subdivision 5; 256F.04; 256F.05; 256F.06; 256F.07, subdivisions 1, 2, and 3; 256H.02; 256H.03; 256H.05; 256H.08; 256H.09, by adding a subdivision; 256H.15, subdivisions 1, 2, and by adding a subdivision; 256H.18; 256H.20, subdivision 3a; 256H.21, subdivision 10; 256H.22, subdivisions 2, 6, and by adding a subdivision; 256I.04, by adding a subdivision; 256I.05, subdivision 2, and by adding subdivisions; 257.071, subdivision 1a; 257.352, subdivision 2; 257.57, subdivision 2; 261.035; 268.022, subdivision 2; 268.39; 268.914; 268.975, subdivision 3, and by adding a subdivision; 268.977; 268.98; 268A.06, by adding a subdivision; 268A.08, subdivision 2; 268A.09, subdivision 2; 270A.04, subdivision 2; 270A.08, subdivision 2; 273.1398, subdivision 1; 299A.21, subdivision 6; 299A.23, subdivision 2; 299A.27; 393.07, subdivisions 10 and 10a; 401.10; 401.13; 462A.02, subdivision 13; 462A.03, subdivisions 10, 13, and 16; 462A.05, subdivisions 14, 20, and by adding subdivisions; 462A.08, subdivision 2; 462A.21, subdivisions 4k, 12a, and 14; 462A.22, subdivision 9; 462A.222, subdivision 3; 471.705, subdivision 1; 474A.048, subdivision 2; 518.551, subdivision 5, and by adding subdivisions; 518.64; 609.52, by adding a subdivision; 638.04; 638.05; 638.06; Laws 1987, chapter 404, section 28, subdivision 1; Laws 1988, chapter 689, article 2, section 256, subdivision 1; and Laws 1989, chapter 335, article 1, section 27, subdivision 1, as amended; proposing coding for new law in Minnesota Statutes, chapters 16B; 144; 145; 148B; 241; 245; 252; 256; 256B; 256D; 256F; 256H; 257; 268A; and 462A; proposing coding for new law as Minnesota Statutes, chapter 144B; repealing Minnesota Statutes 1990, sections 144A.31, subdivisions 2 and 3; 148B.01, subdivisions 2, 5, and 6; 148B.02; 148B.16; 148B.171; 148B.40; 148B.41; 148B.42; 148B.43; 148B.44; 148B.45; 148B.46; 148B.47; 148B.48; 157.031, subdivision 5; 245.476, subdivisions 1, 2, and 3; 252.275, subdivision 2; 256.032, subdivisions 5 and 9; 256.035, subdivisions 6 and 7; 256.036, subdivision 10; 256B.0625, subdivisions 6 and 19; 256B.0627, subdivision 3; 256B.091; 256B.431, subdivision 6; 256B.69, subdivision 8; 256B.71, subdivision 5; 256D.051, subdivi-

sions 1b, 3c, and 16; 256D.052, subdivision 4; 256D.09, subdivision 4; 256D.101, subdivision 2; 256H.26; 462A.05, subdivisions 28 and 29; and Laws 1990, chapter 568, article 6, section 4.

PATRICK E. FLAHAVEN, Secretary of the Senate

Greenfield moved that the House refuse to concur in the Senate amendments to H. F. No. 719, 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.

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

Solberg moved that the name of Osthoff be shown as chief author on H. F. No. 504. The motion prevailed.

Johnson, V., moved that the names of Wenzel and Omann be added as authors on H. F. No. 1677. The motion prevailed.

Frederick moved that the name of Frerichs be added as an author on H. F. No. 1679. The motion prevailed.

Carruthers moved that his name be stricken as an author on H. F. No. 1571 and that the name of Ogren be shown as chief author. The motion prevailed.

Johnson, A., 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, May 3, 1991, on the Goodno et al amendment to H. F. No. 719, the second engrossment, as amended.” The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 719:

Greenfield; Rodosovich; Anderson, R.; Murphy and Segal.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 1:00 p.m., Tuesday, May 7, 1991. 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., Tuesday, May 7, 1991.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SEVENTH SESSION—1991

FORTY-EIGHTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, MAY 7, 1991

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 roll was called and the following members were present:

Abrams	Frederick	Kelso	Ogren	Segal
Anderson, I.	Frerichs	Kinkel	Olsen, S.	Simoneau
Anderson, R.	Garcia	Knickerbocker	Olsen, E.	Skoglund
Anderson, R. H.	Girard	Koppendrayer	Olson, K.	Smith
Battaglia	Goodno	Krinkie	Omann	Sparby
Bauerly	Greenfield	Krueger	Onnen	Stanius
Beard	Gruenes	Lasley	Orenstein	Steensma
Begich	Gutknecht	Leppik	Orfield	Sviggum
Bertram	Hanson	Lieder	Osthoff	Swenson
Bettermann	Hartle	Limmer	Ostrom	Thompson
Bishop	Hasskamp	Long	Ozment	Tompkins
Blatz	Haukoos	Lourey	Pauly	Trimble
Bodahl	Hausman	Lynch	Pellow	Tunheim
Boo	Heir	Macklin	Pelowski	Uphus
Brown	Henry	Mariani	Peterson	Valento
Carlson	Hufnagle	Marsh	Pugh	Vellenga
Carruthers	Hugoson	McEachern	Reding	Wagenius
Clark	Jacobs	McGuire	Rest	Waltman
Cooper	Janezich	McPherson	Rice	Weaver
Dauner	Jaros	Milbert	Rodosovich	Wejzman
Davids	Jefferson	Morrison	Rukavina	Welker
Dawkins	Jennings	Munger	Runbeck	Welle
Dempsey	Johnson, A.	Murphy	Sarna	Wenzel
Dille	Johnson, R.	Nelson, K.	Schafer	Winter
Dorn	Johnson, V.	Nelson, S.	Scheid	Spk. Vanasek
Erhardt	Kahn	Newinski	Schreiber	
Farrell	Kalis	O'Connor	Seaberg	

A quorum was present.

Solberg was excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Olsen, S., 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

S. F. No. 204 and H. F. No. 603, 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. 204 be substituted for H. F. No. 603 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 601 and H. F. No. 895, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Uphus moved that the rules be so far suspended that S. F. No. 601 be substituted for H. F. No. 895 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 762 and H. F. No. 197, 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. 762 be substituted for H. F. No. 197 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 822 and H. F. No. 1280, 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. 822

be substituted for H. F. No. 1280 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 931 and H. F. No. 1635, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Orfield moved that the rules be so far suspended that S. F. No. 931 be substituted for H. F. No. 1635 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 979 and H. F. No. 1196, 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. 979 be substituted for H. F. No. 1196 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1053 and H. F. No. 1052, 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. 1053 be substituted for H. F. No. 1052 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1178 and H. F. No. 943, 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. 1178 be substituted for H. F. No. 943 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1224 and H. F. No. 1534, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Reding moved that the rules be so far suspended that S. F. No. 1224 be substituted for H. F. No. 1534 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

May 2, 1991

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

Dear Representative Vanasek:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 331, relating to education; permitting education districts, districts operating under joint powers agreements, and joint vocational technical boards to conduct meetings via interactive television.

H. F. No. 73, relating to education; changing requirements for transfers within the maximum effort school loan fund; eliminating the deduction for one year's interest payments from the proceeds of state bonds for maximum effort school loans; validating construction contracts entered into by independent school district No. 484, Pierz.

H. F. No. 739, relating to corporations; deleting consideration of the effect of insurance company takeovers on shareholders and creditors; limiting application of fair price provisions to domestic corporations; deleting nexus requirements for application of control

share acquisition and business combination statutes; exempting employee stock ownership plans from takeover statutes; exempting certain transactions from the control share acquisition statute; modifying limitations on corporate share purchases above market value.

Warmest regards,

ARNE H. CARLSON
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 1991 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 1991</i>	<i>Date Filed 1991</i>
	331	44	4:25 p.m. May 2	May 2
	73	45	4:31 p.m. May 2	May 2
	739	58	4:35 p.m. May 2	May 2

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

SECOND READING OF SENATE BILLS

S. F. Nos. 204, 601, 762, 822, 931, 979, 1053, 1178 and 1224 were read for the second time.

**INTRODUCTION AND FIRST READING
OF HOUSE BILLS**

The following House Files were introduced:

Johnson, R., and Simoneau introduced:

H. F. No. 1685, A bill for an act relating to appropriations; appropriating money for tourist facilities at Bemidji.

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

Carruthers introduced:

H. F. No. 1686, A bill for an act relating to the municipal board; providing for hearings of contested annexation matters; amending Minnesota Statutes 1990, section 414.031, by adding a subdivision.

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

HOUSE ADVISORIES

The following House Advisory was introduced:

Begich introduced:

H. A. No. 24, A proposal to study the use of the "independent contractor" status in the labor force.

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

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. 813, A bill for an act relating to retirement; Minneapolis

police relief association; adding a surviving spouse board member; changing board membership; providing for a phase-out of the board; amending Laws 1949, chapter 406, section 4, subdivisions 2 and 3, as amended; section 6, subdivision 3, as amended; Laws 1953, chapter 127, section 1, by adding a subdivision; Laws 1965, chapter 493, section 3, as amended.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Jefferson moved that the House concur in the Senate amendments to H. F. No. 813 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 813, A bill for an act relating to pensions and retirement; adding members to the board of the Minneapolis police relief association; amending Laws 1949, chapter 406, sections 4, subdivisions 2 and 3; and 6, subdivision 3, as amended; Laws 1953, chapter 127, section 1, by adding a subdivision; and Laws 1965, chapter 493, section 3, as amended.

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	Frerichs	Kinkel	Olson, E.	Skoglund
Anderson, I.	Garcia	Knickerbocker	Olson, K.	Smith
Anderson, R.	Girard	Koppendrayer	Omann	Sparby
Anderson, R. H.	Goodno	Krinkie	Onnen	Stanius
Battaglia	Greenfield	Krueger	Orenstein	Steensma
Bauerly	Gruenes	Lasley	Orfield	Sviggum
Beard	Gutknecht	Leppik	Osthoff	Swenson
Begich	Hanson	Lieder	Ostrom	Thompson
Bertram	Hartle	Limmer	Ozment	Tompkins
Bettermann	Hasskamp	Long	Pauly	Trimble
Blatz	Haukoos	Lourey	Pellow	Tunheim
Bodahl	Hausman	Lynch	Pelowski	Uphus
Boo	Heir	Macklin	Peterson	Valento
Brown	Henry	Mariani	Pugh	Vellenga
Carlson	Hufnagle	Marsh	Reding	Wagenius
Carruthers	Hugoson	McEachern	Rest	Waltman
Clark	Jacobs	McGuire	Rice	Weaver
Cooper	Janezich	Milbert	Rodosovich	Wejzman
Dauner	Jaros	Morrison	Rukavina	Welker
Davids	Jefferson	Munger	Runbeck	Welle
Dawkins	Jennings	Murphy	Sarna	Wenzel
Dempsey	Johnson, A.	Nelson, K.	Schafer	Winter
Dille	Johnson, R.	Nelson, S.	Scheid	Spk. Vanasek
Dorn	Johnson, V.	Newinski	Schreiber	
Erhardt	Kahn	O'Connor	Seaberg	
Farrell	Kalis	Ogren	Segal	
Frederick	Kelso	Olsen, S.	Simoneau	

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. 1310, A bill for an act relating to crimes; creating the gross misdemeanor offense of assaulting a public employee who is engaged in mandated duties; amending Minnesota Statutes 1990, section 609.2231, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Nelson, K., moved that the House concur in the Senate amendments to H. F. No. 1310 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1310, A bill for an act relating to crimes; creating the gross misdemeanor offense of assaulting a public employee who is engaged in mandated duties; amending Minnesota Statutes 1990, section 609.2231, 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 88 yeas and 45 nays as follows:

Those who voted in the affirmative were:

Abrams	Garcia	Knickerbocker	Ogren	Simoneau
Anderson, I.	Goodno	Krueger	Olson, E.	Skoglund
Anderson, R.	Greenfield	Lasley	Olson, K.	Sparby
Battaglia	Gruenes	Leppik	Omann	Steensma
Bauerly	Hanson	Lieder	Orenstein	Sviggum
Beard	Hartle	Limmer	Orfield	Swenson
Begich	Hasskamp	Long	Osthoff	Thompson
Bertram	Hausman	Lourey	Ozment	Trimble
Bodahl	Heir	Marsh	Pelowski	Tunheim
Boo	Jacobs	McEachern	Pugh	Uphus
Brown	Janezich	McGuire	Reding	Vellenga
Carlson	Jaros	Milbert	Rest	Wagenius
Carruthers	Jefferson	Morrison	Rice	Wejcmian
Clark	Johnson, A.	Munger	Rodosovich	Welle
Cooper	Johnson, R.	Murphy	Rukavina	Winter
Dauner	Kahn	Nelson, K.	Sarna	Spk. Vanasek
Dorn	Kelso	Nelson, S.	Scheid	
Farrell	Kinkel	O'Connor	Segal	

Those who voted in the negative were:

Anderson, R. H.	Frederick	Johnson, V.	Olsen, S.	Seaberg
Bettermann	Frerichs	Kalis	Onnen	Smith
Bishop	Girard	Koppendrayner	Ostrom	Stanius
Blatz	Gutknecht	Krinkie	Pauly	Tompkins
Davids	Haukoos	Lynch	Pellow	Valento
Dawkins	Henry	Macklin	Peterson	Waltman
Dempsey	Hufnagle	Mariani	Runbeck	Weaver
Dille	Hugoson	McPherson	Schafer	Welker
Erhardt	Jennings	Newinski	Schreiber	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. 1371, A bill for an act relating to agriculture; extending the right of first refusal on foreclosed farm land to ten years; amending Minnesota Statutes 1990, section 500.24, subdivision 6.

PATRICK E. FLAHAVEN, Secretary of the Senate

Brown moved that the House refuse to concur in the Senate amendments to H. F. No. 1371, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

S. F. No. 1530.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1530, A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for regulation of certain activities and practices; providing

for certain rights-of-way; requiring studies and reports; fixing and limiting accounts and fees; amending Minnesota Statutes 1990, sections 10A.02, by adding a subdivision; 12.14; 18.51; 18.52, subdivision 5; 28A.08; 29.22; 31.39; 32.394, subdivisions 8, 8b, and by adding a subdivision; 60A.14, subdivision 1; 80C.04, subdivision 1; 80C.07; 80C.08, subdivision 1; 115C.09, by adding a subdivision; 138.91; 138.94; 155A.08, subdivisions 2, 3, and 5; 174.24, by adding a subdivision; 184.28, subdivision 2; 184.29; 184A.09; 239.78; 240.155; 297B.031; 297B.09; 299K.09, subdivision 2; 349A.10, subdivision 5; and Laws 1987, chapter 396, article 6, section 2; repealing Minnesota Statutes 1990, sections 155A.09, subdivision 7; 168C.01 to 168C.13; and 174.32.

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

Jaros was excused between the hours of 1:20 p.m. and 4:20 p.m.

SPECIAL ORDERS

H. F. No. 997 was reported to the House.

Orenstein moved that H. F. No. 997 be continued on Special Orders. The motion prevailed.

S. F. No. 635 was reported to the House.

Lourey moved to amend S. F. No. 635, as follows:

Delete everything after the enacting clause and insert:

“Section 1. [62A.63] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] For purposes of section 2, the terms defined in this section have the meanings given them.

Subd. 2. [HEALTH CARE PROVIDER.] “Health care provider” means a person, hospital, or health care facility, organization, or corporation that is licensed, certified, or otherwise authorized by the laws of this state to provide health care.

Subd. 3. [INSURER.] “Insurer” means a health insurer regulated under this chapter, service plan corporation as defined under section 62C.02, subdivision 6, and health maintenance organization as defined under section 62D.02, subdivision 4.

Sec. 2. [62A.64] [HEALTH INSURANCE; PROHIBITED AGREEMENTS.]

An agreement between an insurer and a health care provider may not:

(1) prohibit, or grant the insurer an option to prohibit, the provider from contracting with other insurers or payors to provide services at a lower price than the payment specified in the contract;

(2) require, or grant the insurer an option to require, the provider to accept a lower payment in the event the provider agrees to provide services to any other insurer or payor at a lower price; or

(3) require, or grant the insurer an option of, termination or renegotiation of the existing contract in the event the provider agrees to provide services to any other insurer or payor at a lower price.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment and apply to contracts entered, renewed, or amended on or after the effective date."

The motion prevailed and the amendment was adopted.

S. F. No. 635, A bill for an act relating to commerce; prohibiting certain agreements between insurers and health care providers; proposing coding for new law in Minnesota Statutes, chapter 62A.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Blatz	Dempsey	Gruenes	Jacobs
Anderson, I.	Bodahl	Dille	Gutknecht	Janezich
Anderson, R.	Boo	Dorn	Hanson	Jefferson
Anderson, R. H.	Brown	Erhardt	Hartle	Jennings
Battaglia	Carlson	Farrell	Hasskamp	Johnson, A.
Bauerly	Carruthers	Frederick	Haukoos	Johnson, R.
Beard	Clark	Frerichs	Hausman	Johnson, V.
Begich	Cooper	Garcia	Heir	Kahn
Bertram	Dauner	Girard	Henry	Kalis
Bettermann	Davids	Goodno	Hufnagle	Kelso
Bishop	Dawkins	Greenfield	Hugoson	Kinkel

Knickerbocker	McPherson	Orfield	Schafer	Uphus
Koppendrayner	Milbert	Osthoff	Scheid	Valento
Krinkie	Morrison	Ostrom	Schreiber	Vellenga
Krueger	Munger	Ozment	Seaberg	Wagemus
Lasley	Murphy	Pauly	Segal	Waltman
Leppik	Nelson, K.	Pellow	Simoneau	Weaver
Lieder	Nelson, S.	Pelowski	Skoglund	Wejman
Limmer	Newinski	Peterson	Smith	Welker
Long	O'Connor	Pugh	Sparby	Welle
Lourey	Ogren	Reding	Steensma	Wenzel
Lynch	Olsen, S.	Rest	Sviggum	Winter
Macklin	Olson, E.	Rice	Swenson	Spk. Vanasek
Mariani	Olson, K.	Rodosovich	Thompson	
Marsh	Omann	Rukavina	Tompkins	
McEachern	Onnen	Runbeck	Trimble	
McGuire	Orenstein	Sarna	Tunheim	

Those who voted in the negative were:

Stanius

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

The Speaker called Krueger to the Chair.

S. F. No. 515, A bill for an act relating to natural resources; increasing the number of permits that may be held by one purchaser of timber on state lands; setting an interest rate for certain extensions of the permits; amending Minnesota Statutes 1990, section 90.121.

The bill was read for the third 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	Clark	Gutknecht	Kahn	Marsh
Anderson, I.	Cooper	Hanson	Kalis	McEachern
Anderson, R.	Dauner	Hartle	Kelso	McGuire
Anderson, R. H.	Dauids	Hasskamp	Kinkel	McPherson
Battaglia	Dawkins	Haukoos	Knickerbocker	Morrison
Bauerly	Dempsey	Hausman	Koppendrayner	Munger
Beard	Dille	Heir	Krinkie	Murphy
Begich	Dorn	Henry	Krueger	Nelson, K.
Bertram	Erhardt	Hufnagle	Lasley	Nelson, S.
Bettermann	Farrell	Hugoson	Leppik	Newinski
Bishop	Frederick	Jacobs	Lieder	O'Connor
Blatz	Frerichs	Janezich	Limmer	Ogren
Bodahl	Garcia	Jefferson	Long	Olsen, S.
Boo	Girard	Jennings	Lourey	Olson, E.
Brown	Goodno	Johnson, A.	Lynch	Olson, K.
Carlson	Greenfield	Johnson, R.	Macklin	Omann
Carruthers	Gruenes	Johnson, V.	Mariani	Onnen

Orenstein	Reding	Seaberg	Thompson	Wejcman
Orfield	Rest	Segal	Tompkins	Welker
Osthoff	Rice	Simoneau	Trimble	Welle
Ostrom	Rodosovich	Skoglund	Tunheim	Wenzel
Ozment	Rukavina	Smith	Uphus	Winter
Pauly	Runbeck	Sparby	Valento	Spk. Vanasek
Pellow	Sarna	Stanius	Vellenga	
Pelowski	Schafer	Steensma	Wagenius	
Peterson	Scheid	Svigum	Waltman	
Pugh	Schreiber	Swenson	Weaver	

The bill was passed and its title agreed to.

S. F. No. 885 was reported to the House.

Welle moved that S. F. No. 885 be temporarily laid over on Special Orders. The motion prevailed.

S. F. No. 328 was reported to the House.

Skoglund moved that S. F. No. 328 be continued on Special Orders. The motion prevailed.

S. F. No. 958 was reported to the House.

Rukavina moved to amend S. F. No. 958, as follows:

Page 10, after line 22, insert:

“Sec. 15. [RELEASE OF STATE INTEREST TO CITY OF BI-WABIK.] (a) Notwithstanding any law to the contrary, the commissioner of revenue shall release and relinquish any and all claims in a reversionary interest on the use of property for road purposes that is or may be held by the state in the real property described in paragraph (c).

(b) The release must be in a form approved by the attorney general.

(c) The real property affected is described as: Government Lot 1, Northeast Quarter of the Northeast Quarter in Section 11, Township 58 North, Range 16 West.

(d) The city of Biwabik needs the release to clear its title to the property.”

Page 10, line 23, delete “15” and insert “16”

Page 10, line 24, delete “14” and insert “15”

Amend the title as follows:

Page 1, line 4, before the period insert “; releasing a reversionary interest in real property”

The motion prevailed and the amendment was adopted.

S. F. No. 958, A bill for an act relating to state lands; authorizing sale of tax-forfeited lands and an easement in St. Louis county.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abrams	Farrell	Kalis	Newinski	Seaberg
Anderson, I.	Frederick	Kelso	O'Connor	Segal
Anderson, R.	Frerichs	Kinkel	Ogren	Simoneau
Anderson, R. H.	Garcia	Knickerbocker	Olsen, S.	Skoglund
Battaglia	Girard	Koppendraye	Olson, E.	Smith
Bauerly	Goodno	Krinkie	Olson, K.	Sparby
Beard	Greenfield	Krueger	Omann	Stanius
Begich	Gruenes	Lasley	Onnen	Steensma
Bertram	Gutknecht	Leppik	Orenstein	Sviggum
Bettermann	Hanson	Lieder	Orfield	Swenson
Bishop	Hartle	Limmer	Ostrom	Thompson
Blatz	Hasskamp	Long	Ozment	Tompkins
Bodahl	Haukoos	Lourey	Pauly	Trimble
Boo	Hausman	Lynch	Pellow	Tunheim
Brown	Heir	Macklin	Pelowski	Uphus
Carlson	Henry	Mariani	Peterson	Valento
Carruthers	Hufnagle	Marsh	Pugh	Vellenga
Clark	Hugoson	McEachern	Reding	Wagenius
Cooper	Jacobs	McGuire	Rest	Waltman
Dauner	Janezich	McPherson	Rice	Weaver
Davids	Jefferson	Milbert	Rodosovich	Wejcman
Dawkins	Jennings	Morrison	Rukavina	Welker
Dempsey	Johnson, A.	Munger	Runbeck	Welle
Dille	Johnson, R.	Murphy	Sarna	Wenzel
Dorn	Johnson, V.	Nelson, K.	Schafer	Winter
Erhardt	Kahn	Nelson, S.	Schreiber	Spk. Vanasek

Those who voted in the negative were:

Osthoff Scheid

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

H. F. No. 767 was reported to the House.

McGuire moved that H. F. No. 767 be temporarily laid over on Special Orders. The motion prevailed.

H. F. No. 1050 was reported to the House.

Orfield and Bishop moved to amend H. F. No. 1050, as follows:

Page 1, lines 16 to 20, reinstate the stricken language and delete the new language

The motion prevailed and the amendment was adopted.

Anderson, I.; Kahn and Osthoff moved to amend H. F. No. 1050, as amended, as follows:

Page 1, after line 5, insert:

“Section 1. Minnesota Statutes 1990, 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 also may lease land or premises for 20 years or less, subject to the 30-day cancellation, if the lessor is a political subdivision or other instrument of state government.

The commissioner may not rent non-state-owned land and buildings or substantial portions of land or buildings within the capitol area as defined in section 15.50 unless the commissioner first consults with the capitol area architectural and planning board. If the commissioner enters into a lease-purchase agreement for buildings or substantial portions of buildings within the capitol area, the commissioner shall require that any new construction of non-state-owned buildings conform to design guidelines of the capitol area architectural and planning board. Lands needed by the department of transportation for storage of vehicles or road materials may be rented for five years or less, such leases for terms over two years being subject to cancellation upon 30 days written notice by the state for any reason except rental of other land or premises for the same use. An agency or department head must consult with the chairs of the house appropriations and senate finance committees before entering into any agreement that would cause an agency's rental costs to increase by ten percent or more per square foot or would increase the number of square feet of office space rented by the agency by 25 percent or more in any fiscal year.

(b) [USE VACANT PUBLIC SPACE.] No agency may initiate or renew a lease for space for its own use in a private building unless

the commissioner has thoroughly investigated presently vacant space in public buildings, such as closed school buildings, and found that none is available.

(c) [PREFERENCE FOR CERTAIN BUILDINGS.] For needs beyond those which can be accommodated in state-owned buildings, the commissioner shall acquire and utilize space in suitable buildings of historical, architectural, or cultural significance for the purposes of this subdivision unless use of that space is not feasible, prudent and cost effective compared with available alternatives. Buildings are of historical, architectural, or cultural significance if they are listed on the national register of historic places, designated by a state or county historical society, or designated by a municipal preservation commission.

(d) [RECYCLING SPACE.] Leases for space of 30 days or more for 5,000 square feet or more must require that space be provided for recyclable materials."

Page 2, line 6, delete "Section 1" and insert "This act"

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 1050, A bill for an act relating to state government; requiring certain notice of proposed executive reorganization orders; permitting the commissioner of administration to lease land to a political subdivision under some circumstances; amending Minnesota Statutes 1990, sections 16B.24, subdivision 6; and 16B.37, 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 77 yeas and 55 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Bodahl	Dorn	Janezich	Kinkel
Anderson, R.	Brown	Farrell	Jefferson	Krueger
Battaglia	Carlson	Garcia	Jennings	Lasley
Bauerly	Carruthers	Greenfield	Johnson, A.	Lieder
Beard	Clark	Hanson	Johnson, R.	Long
Begich	Cooper	Hasskamp	Kahn	Lourey
Bertram	Dauner	Hausman	Kalis	Mariani
Bishop	Dawkins	Jacobs	Kelso	McEachern

McGuire	Olson, E.	Pugh	Simoneau	Wejman
Milbert	Olson, K.	Reding	Skoglund	Welle
Munger	Orenstein	Rice	Sparby	Wenzel
Murphy	Orfield	Rodosovich	Steensma	Winter
Nelson, K.	Osthoff	Rukavina	Thompson	Spk. Vanasek
Nelson, S.	Ostrom	Sarna	Trimble	
O'Connor	Pelowski	Scheid	Tunheim	
Ogren	Peterson	Segal	Wagenius	

Those who voted in the negative were:

Abrams	Girard	Knickerbocker	Olsen, S.	Smith
Anderson, R. H.	Goodno	Koppendrayer	Omann	Stanius
Bettermann	Gruenes	Krinkie	Onnen	Svigum
Blatz	Gutknecht	Leppik	Ozment	Swenson
Boo	Hartle	Limmer	Pauly	Tompkins
Davids	Haukoos	Lynch	Pellow	Uphus
Dempsey	Heir	Macklin	Rest	Valento
Dille	Henry	Marsh	Runbeck	Vellenga
Erhardt	Hufnagle	McPherson	Schafer	Waltman
Frederick	Hugoson	Morrison	Schreiber	Weaver
Frerichs	Johnson, V.	Newinski	Seaberg	Welker

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

H. F. No. 767 which was temporarily laid over earlier today was again reported to the House.

Winter and McGuire moved to amend H. F. No. 767, the first engrossment, as follows:

Page 3, line 1, delete everything after “is”

Page 3, line 2, delete everything before “vegetable” and after “oil” insert “, at least half of which must be soy oil”

The motion prevailed and the amendment was adopted.

H. F. No. 767, A bill for an act relating to the environment; regulating the distribution of copies of reports to the legislature; requiring public entities to conform to certain printing requirements; amending Minnesota Statutes 1990, sections 3.195, subdivision 1; and 16B.122; repealing Minnesota Statutes 1990, section 16B.125.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Abrams	Farrell	Kalis	Ogren	Seaberg
Anderson, I.	Frederick	Kelso	Olsen, S.	Segal
Anderson, R.	Garcia	Kinkel	Olson, E.	Simoneau
Anderson, R. H.	Girard	Koppendrayner	Omann	Skoglund
Battaglia	Goodno	Krueger	Onnen	Smith
Bauerly	Greenfield	Lasley	Orenstein	Sparby
Beard	Gruenes	Leppik	Orfield	Stanius
Begich	Gutknecht	Lieder	Osthoff	Steensma
Bertram	Hanson	Limmer	Ostrom	Sviggum
Bettermann	Hartle	Long	Ozment	Swenson
Bishop	Hasskamp	Lourey	Pauly	Thompson
Blatz	Haukoos	Macklin	Pellow	Tompkins
Bodahl	Hausman	Mariani	Pelowski	Trimble
Boo	Heir	Marsh	Peterson	Tunheim
Brown	Henry	McEachern	Pugh	Uphus
Carlson	Huffnagle	McGuire	Reding	Valento
Carruthers	Hugoson	McPherson	Rest	Vellenga
Clark	Jacobs	Milbert	Rice	Wagenius
Cooper	Janezich	Morrison	Rodosovich	Waltman
Dauner	Jefferson	Munger	Rukavina	Weaver
Davids	Jennings	Murphy	Runbeck	Wejcmán
Dawkins	Johnson, A.	Nelson, K.	Sarna	Welle
Dille	Johnson, R.	Nelson, S.	Schafer	Wenzel
Dorn	Johnson, V.	Newinski	Scheid	Winter
Erhardt	Kahn	O'Connor	Schreiber	Spk. Vanasek

Those who voted in the negative were:

Dempsey	Frerichs	Krinkie	Olson, K.	Welker
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The bill was passed, as amended, and its title agreed to.

S. F. No. 800 was reported to the House.

Reding moved to amend S. F. No. 800, as follows:

Page 3, after line 13, insert:

“Sec. 5. Minnesota Statutes 1990, section 97B.301, subdivision 4, is amended to read:

Subd. 4. [TAKING TWO DEER.] ~~The commissioner may, by order, allow A person to may take two deer. The commissioner shall prescribe the conditions for taking the second deer including if:~~

(1) ~~taking one deer is taken by firearm or and one deer by archery;~~

(2) ~~obtaining~~ an additional license is obtained; and

(3) payment of the person pays a fee not more than the fee for a firearms deer license.”

Page 3, line 25, delete "5" and insert "6"

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 4, after the semicolon insert "setting conditions under which a hunter may take two deer;"

Page 1, line 7, after the first semicolon insert "97B.301, subdivision 4;"

The motion prevailed and the amendment was adopted.

Kinkel; Stanius; Abrams; Skoglund; Johnson, R.; Trimble; Smith; Munger; Limmer; Thompson and Hasskamp moved to amend S. F. No. 800, as amended, as follows:

Page 3, after line 22, insert:

"Sec. 6. [ROAD CHECKS FOR BOATS.]

(a) The commissioner of natural resources shall establish a two-year program of at least five road checks per year of trailered boats on peak travel days on major travel routes between lake areas of the Twin Cities infested by Eurasian water milfoil and lake areas threatened by milfoil infestation. These road checks may include interstate highway 94 between the Twin Cities and Alexandria, interstate highway 35 between the Twin Cities and Forest Lake, state highway 10 between St. Cloud and Little Falls, and highway 169 between Elk River and Aitkin.

(b) On lakes infested with Eurasian water milfoil that are hosting state sanctioned fishing tournaments, the commissioner must adopt rules to prevent spreading of milfoil.

(c) The road checks must attempt to check all trailered boats traveling from milfoil infested areas toward uninfested lakes. The purpose of the road check is to inspect all boats for milfoil fragments, and to inform and educate the trailered boat owners about Eurasian water milfoil, other exotic species, and how to prevent their spreading.

(d) The commissioner must assess the effectiveness of the road check program, keep records on the occurrence of milfoil fragments

or other exotic species, logbooks on boater destination, and report to the legislature by January 1, 1993."

Page 3, line 24, delete "Section 1 is" and insert "Sections 1 and 6 are"

ReNUMBER the remaining section

Amend the title accordingly

Osthoff moved to amend the Kinkel et al amendment to S. F. No. 800, as amended, as follows:

In the Kinkel amendment, page 1, line 10, after the period delete "These"

Page 1, delete lines 11, 12, 13 and 14

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

Welker moved to amend the Kinkel et al amendment, as amended, to S. F. No. 800, as amended, as follows:

In the Kinkel amendment, page 1, line 17, delete "adopt rules" and insert "distribute material"

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

The question recurred on the Kinkel et al amendment to S. F. No. 800, as amended. The motion prevailed and the amendment, as amended, was adopted.

Stanius, Munger, Trimble, Abrams, Osthoff and Smith moved to amend S. F. No. 800, as amended, as follows:

Page 1, after line 8, insert:

"Section 1. [84.967] [ECOLOGICALLY HARMFUL SPECIES; DEFINITION.]

For the purposes of section 1 to 4, "ecologically harmful exotic species" means non-native aquatic plants or wild animals that can naturalize, have high propagation potential, are highly competitive for limiting factors, and cause displacement of, or otherwise

threaten, native plants or native animals in their natural communities.

Sec. 2. [84.968] [ECOLOGICALLY HARMFUL EXOTIC SPECIES MANAGEMENT PLAN.]

By January 1, 1993, a long-term statewide ecologically harmful exotic species management plan must be prepared by the commissioner of natural resources and address the following:

(1) coordinated detection and prevention of accidental introductions;

(2) coordinated dissemination of information about ecologically harmful exotic species among resource management agencies and organizations;

(3) a coordinated public awareness campaign regarding ecologically harmful exotic animals and aquatic plants;

(4) a process, where none exists, to designate and classify ecologically harmful exotic species into the following categories:

(i) undesirable wild animals that must not be sold, propagated, possessed, or transported; and

(ii) undesirable aquatic exotic plants that must not be sold, propagated, possessed, or transported;

(5) coordination of control and eradication of ecologically harmful exotic species on public lands and public waters; and

(6) develop a list of exotic wild animal species intended for nonagricultural purposes, or propagation for release by state agencies or the private sector.

Sec. 3. [84.969] [COORDINATING PROGRAM, GRANTS, AND REGIONAL COOPERATION.]

Subdivision 1. [COORDINATING PROGRAM.] The commissioner of natural resources shall establish a statewide coordinating program to prevent and curb the spread of ecologically harmful exotic animals and aquatic plants.

Subd. 2. [GRANTS.] The coordinating program created in subdivision 1 may accept gifts, donations, and grants to accomplish its duties and must seek available federal grants through the federal Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990. A portion of these funds shall be used to implement the plan under section 2.

Subd. 3. [REGIONAL COOPERATION.] The governor may cooperate, individually and regionally, with other state governors in the midwest for the purposes of ecologically harmful exotic species management and control

Sec. 4. [84.9691] [RULEMAKING.]

The commissioner of natural resources may adopt rules, including emergency rules, to restrict the introduction, propagation, use, possession, and spread of ecologically harmful exotic animals and aquatic plants in the state."

Page 3, line 24, delete "Section 1 is" and insert "Sections 1 to 5 are" and delete "its"

Page 3, line 25, delete "2 to 5" and insert "6 to 9"

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 800, A bill for an act relating to natural resources; revising certain provisions relating to the taking, possession, and transportation of wild animals; amending Minnesota Statutes 1990, sections 97A.445, subdivision 2; 97A.535, subdivision 1; 97B.055, subdivision 3; 97B.106; and 97B.935, 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 130 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abrams	Bishop	Davids	Girard	Heir
Anderson, I.	Blatz	Dawkins	Goodno	Henry
Anderson, R.	Bodahl	Dempsey	Greenfield	Hufnagle
Anderson, R. H.	Boo	Dille	Gruenes	Hugoson
Battaglia	Brown	Dorn	Gutknecht	Jacobs
Bauerly	Carlson	Erhardt	Hanson	Janezich
Beard	Carruthers	Farrell	Hartle	Jefferson
Begich	Clark	Frederick	Hasskamp	Jennings
Bertram	Cooper	Frerichs	Haukoos	Johnson, A.
Bettermann	Dauner	Garcia	Hausman	Johnson, R.

Johnson, V.	Macklin	Olson, K.	Rodosovich	Thompson
Kahn	Mariani	Omman	Rukavina	Tompkins
Kalis	Marsh	Onnen	Runbeck	Trimble
Kelso	McEachern	Orenstein	Sarna	Tunheim
Kinkel	McGuire	Orfield	Schafer	Uphus
Knickerbocker	McPherson	Osthoff	Scheid	Valento
Koppendrayer	Morrison	Ostrom	Schreiber	Vellenga
Krinkie	Munger	Ozment	Segal	Wagenius
Krueger	Murphy	Pauly	Simoneau	Waltman
Lasley	Nelson, K.	Pellow	Skoglund	Weaver
Leppik	Nelson, S.	Pelowski	Smith	Wejcmann
Lieder	Newinski	Peterson	Sparby	Welker
Limmer	O'Connor	Pugh	Stanius	Welle
Long	Ogren	Reding	Steensma	Wenzel
Lourey	Olsen, S.	Rest	Sviggum	Winter
Lynch	Olson, E.	Rice	Swenson	Spk. Vanasek

Those who voted in the negative were:

Milbert Seaberg

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

S. F. No. 885 which was temporarily laid over earlier today was again reported to the House.

S. F. No. 885, A bill for an act relating to health; creating a limited exception to the moratorium on licensure of new nursing home beds; allowing a facility with an addendum to its provider agreement to upgrade beds from boarding care beds to nursing home beds; amending Minnesota Statutes 1990, 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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Carlson	Girard	Janezich	Leppik
Anderson, I.	Carruthers	Goodno	Jefferson	Lieder
Anderson, R.	Clark	Greenfield	Jennings	Limmer
Anderson, R. H.	Cooper	Gruenes	Johnson, A.	Long
Battaglia	Dauner	Gutknecht	Johnson, R.	Lourey
Bauerly	Davids	Hanson	Johnson, V.	Lynch
Bear	Dawkins	Hartle	Kahn	Macklin
Begich	Dempsey	Hasskamp	Kalis	Mariani
Bertram	Dille	Haukoos	Kelso	Marsh
Bettermann	Dorn	Hausman	Kinkel	McEachern
Bishop	Erhardt	Heir	Knickerbocker	McGuire
Blatz	Farrell	Henry	Koppendrayer	McPherson
Bodahl	Frederick	Hufnagle	Krinkie	Milbert
Boo	Frerichs	Hugoson	Krueger	Morrison
Brown	Garcia	Jacobs	Lasley	Munger

Murphy	Orfield	Rodosovich	Sparby	Wagenius
Nelson, K.	Osthoff	Rukavina	Stanius	Waltman
Nelson, S.	Ostrom	Runbeck	Steensma	Weaver
Newinski	Ozment	Sarna	Sviggun	Wejeman
O'Connor	Pauly	Schafer	Swenson	Welker
Ogren	Pellow	Scheid	Thompson	Welle
Olsen, S.	Pelowski	Schreiber	Tompkins	Wenzel
Olson, E.	Peterson	Seaberg	Trimble	Winter
Olson, K.	Pugh	Segal	Tunheim	Spk. Vanasek
Omann	Reding	Simoneau	Uphus	
Onnen	Rest	Skoglund	Valento	
Orenstein	Rice	Smith	Vellenga	

The bill was passed and its title agreed to.

H. F. No. 289 was reported to the House.

Skoglund moved to amend H. F. No. 289, the first engrossment, as follows:

Page 1, line 9, after "policies" insert ", certificates, or other evidence of coverage"

Page 1, line 12, after "basis" insert "offered," and after "issued" insert a comma

Page 1, after line 23, insert:

"(c) Noncomprehensive policies subject to the provisions of this section are also subject to the requirements, penalties, and remedies applicable to Medicare supplement policies, as set forth in section 62A.36, subdivisions 1a, 1b, and 2.

The first supplement to the annual statement required to be filed pursuant to this paragraph must be for the annual statement required to be submitted on or after January 1, 1992."

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 289, A bill for an act relating to insurance; accident and health; establishing minimum loss ratios for certain noncomprehensive policies; proposing coding for new law in Minnesota Statutes, chapter 62A.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 96 yeas and 32 nays as follows:

Those who voted in the affirmative were:

Abrams	Gruenes	Long	Orenstein	Sparby
Anderson, I.	Hanson	Lourey	Orfield	Steenasma
Anderson, R.	Hartle	Lynch	Osthoff	Swenson
Battaglia	Hasskamp	Macklin	Ostrom	Thompson
Bauerly	Hausman	Mariani	Ozment	Trimble
Beard	Henry	McEachern	Pauly	Tunheim
Begich	Jacobs	McGuire	Pelowski	Uphus
Bertram	Janezich	Milbert	Peterson	Vellenga
Bodahl	Jefferson	Morrison	Pugh	Wagenius
Brown	Johnson, A.	Munger	Reding	Waltman
Carlson	Johnson, R.	Murphy	Rest	Weaver
Carruthers	Kahn	Nelson, K.	Rice	Wejzman
Clark	Kalis	Nelson, S.	Rodosovich	Welle
Cooper	Kelso	Newinski	Rukavina	Wenzel
Dauner	Kinkel	O'Connor	Sarna	Winter
Dawkins	Knickerbocker	Ogren	Scheid	Spk. Vanasek
Dorn	Krueger	Olsen, S.	Segal	
Farrell	Lasley	Olson, E.	Simoneau	
Garcia	Lieder	Olson, K.	Skoglund	
Greenfield	Limmer	Omann	Smith	

Those who voted in the negative were:

Anderson, R. H.	Frederick	Hufnagle	Onnen	Sviggum
Bettermann	Frerichs	Hugoson	Pellow	Tompkins
Blatz	Girard	Johnson, V.	Runbeck	Valento
Boo	Goodno	Koppendrayner	Schafer	Welker
Davids	Gutknecht	Krinkie	Schreiber	
Dille	Haukoos	Marsh	Seaberg	
Erhardt	Heir	McPherson	Stanius	

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

H. F. No. 1326 was reported to the House.

H. F. No. 1326 was read for the third time.

Clark moved that H. F. No. 1326 be temporarily laid over on Special Orders. The motion prevailed.

H. F. No. 1415 was reported to the House.

Scheid moved that H. F. No. 1415 be temporarily laid over on Special Orders. The motion prevailed.

H. F. No. 1013, A bill for an act repealing certain pipeline approval authority of the commissioner of natural resources; repealing Minnesota Statutes 1990, section 117.49.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Ogren	Seaberg
Anderson, I.	Frerichs	Knickerbocker	Olsen, S.	Segal
Anderson, R.	Garcia	Koppendrayner	Olson, E.	Simoneau
Anderson, R. H.	Girard	Krinkie	Olson, K.	Skoglund
Battaglia	Goodno	Krueger	Omann	Smith
Bauerly	Greenfield	Lasley	Onnen	Sparby
Beard	Gruenes	Leppik	Orenstein	Stanius
Begich	Gutknecht	Lieder	Orfield	Steensma
Bertram	Hanson	Limmer	Osthoff	Sviggum
Bettermann	Hartle	Long	Ostrom	Swenson
Blatz	Hasskamp	Lourey	Ozment	Thompson
Bodahl	Haukoos	Lynch	Pauly	Tompkins
Boo	Hausman	Macklin	Pellow	Trimble
Brown	Heir	Mariani	Pelowski	Tunheim
Carlson	Henry	Marsh	Peterson	Uphus
Carruthers	Hufnagle	McEachern	Pugh	Valento
Clark	Hugoson	McGuire	Reding	Vellenga
Cooper	Jacobs	McPherson	Rest	Wagenius
Dauner	Janezich	Milbert	Rice	Waltman
Davids	Jefferson	Morrison	Rodosovich	Weaver
Dawkins	Jennings	Munger	Rukavina	Wejeman
Dempsey	Johnson, A.	Murphy	Runbeck	Welker
Dille	Johnson, R.	Nelson, K.	Sarna	Welle
Dorn	Johnson, V.	Nelson, S.	Schafer	Wenzel
Erhardt	Kahn	Newinski	Scheid	Winter
Farrell	Kalis	O'Connor	Schreiber	Spk. Vanasek

Those who voted in the negative were:

Kinkel

The bill was passed and its title agreed to.

H. F. No. 1125, A bill for an act relating to law enforcement; authorizing the Mille Lacs Band of Chippewa Indians to exercise law enforcement authority within the Mille Lacs Reservation and certain trust lands; proposing coding for new law in Minnesota Statutes, chapter 626.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Olsen, S.	Segal
Anderson, I.	Frerichs	Kinkel	Olson, E.	Simoneau
Anderson, R.	Garcia	Knickerbocker	Olson, K.	Skoglund
Anderson, R. H.	Girard	Koppendrayer	Omann	Smith
Battaglia	Goodno	Krinkie	Onnen	Sparby
Bauerly	Greenfield	Krueger	Orenstein	Stanius
Beard	Gruenes	Lasley	Orfield	Steensma
Begich	Gutknecht	Leppik	Osthoff	Sviggum
Bertram	Hanson	Lieder	Ostrom	Swenson
Bettermann	Hartle	Limmer	Ozment	Thompson
Blatz	Hasskamp	Lourey	Pauly	Tompkins
Bodahl	Haukoos	Lynch	Pellow	Trimble
Boo	Hausman	Macklin	Pelowski	Tunheim
Brown	Heir	Mariani	Peterson	Uphus
Carlson	Henry	Marsh	Pugh	Valento
Carruthers	Hufnagle	McEachern	Reding	Vellenga
Clark	Hugoson	McGuire	Rest	Wagenius
Cooper	Jacobs	McPherson	Rice	Waltman
Dauner	Janezich	Milbert	Rodosovich	Weaver
Davids	Jefferson	Morrison	Rukavina	Wejman
Dawkins	Jennings	Munger	Runbeck	Welker
Dempsey	Johnson, A.	Murphy	Sarna	Welle
Dille	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dorn	Johnson, V.	Nelson, S.	Scheid	Winter
Erhardt	Kahn	Newinski	Schreiber	Spk. Vanasek
Farrell	Kalis	O'Connor	Seaberg	

Those who voted in the negative were:

Ogren

The bill was passed and its title agreed to.

H. F. No. 1269 was reported to the House.

Clark moved that H. F. No. 1269 be returned to General Orders. The motion prevailed.

H. F. No. 1415 which was temporarily laid over earlier today was again reported to the House.

Brown and Gutknecht moved to amend H. F. No. 1415, as follows:

Page 2, line 10, strike “, and when”

Page 2, strike lines 11 and 12

Page 2, line 13, strike everything before the semicolon

A roll call was requested and properly seconded.

The question was taken on the Brown and Gutknecht amendment and the roll was called. There were 83 yeas and 42 nays as follows:

Those who voted in the affirmative were:

Anderson, R. H.	Frederick	Kinkel	Orfield	Swenson
Battaglia	Garcia	Koppendrayer	Ostrom	Thompson
Bauerly	Girard	Lasley	Ozment	Tompkins
Beard	Greenfield	Lieder	Pellow	Trimble
Begich	Gutknecht	Long	Pelowski	Tunheim
Bodahl	Hartle	Lourey	Peterson	Uphus
Boo	Hasskamp	Mariani	Reding	Valento
Brown	Haukoos	Marsh	Rice	Wagenius
Carlson	Hausman	McEachern	Rodosovich	Waltman
Carruthers	Heir	McPherson	Runbeck	Weaver
Cooper	Hufnagle	Murphy	Sarna	Wejzman
Dauner	Hugoson	Nelson, S.	Schafer	Welker
Davids	Jacobs	Newinski	Segal	Welle
Dempsey	Johnson, A.	Ogren	Simoneau	Wenzel
Dille	Johnson, R.	Olson, K.	Skoglund	Winter
Dorn	Johnson, V.	Omann	Steenasma	
Farrell	Kalis	Onnen	Svigum	

Those who voted in the negative were:

Abrams	Frerichs	Kelso	Morrison	Seaberg
Anderson, I.	Goodno	Knickerbocker	Nelson, K.	Smith
Bertram	Gruenes	Krinkie	Olsen, S.	Sparby
Bettermann	Hanson	Krueger	Olson, E.	Stanius
Bishop	Henry	Leppik	Osthoff	Vellenga
Blatz	Janezich	Limmer	Pauly	Spk. Vanasek
Clark	Jefferson	Lynch	Pugh	
Dawkins	Jennings	Macklin	Scheid	
Erhardt	Kahn	McGuire	Schreiber	

The motion prevailed and the amendment was adopted.

H. F. No. 1415, as amended, was read for the third time.

Scheid moved that H. F. No. 1415, as amended, be continued on Special Orders. The motion prevailed.

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

H. F. No. 1326 which was temporarily laid over earlier today was again reported to the House.

Abrams and Clark moved to amend H. F. No. 1326, the first engrossment, as follows:

Page 2, after line 9, insert:

"Sec. 2. [LEGISLATIVE INTENT.]

Nothing in section 1 is intended to modify the existing division of

funds between the twin cities metropolitan area and other areas of the state as presently provided for by rule."

Amend the title as follows:

Page 1, line 3, after the semicolon insert "stating the legislative intent that this act is not intended to alter the existing divisions of grants;"

The motion prevailed and the amendment was adopted.

Hufnagle moved to amend H. F. No. 1326, the first engrossment, as amended, as follows:

Page 2, line 9, after the period insert "Of any amount granted for projects within the seven county metropolitan area, 50 percent shall be expended on projects within a city or cities of the first class and 50 percent shall be expended on projects within the remainder of the metropolitan area."

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

H. F. No. 1326, A bill for an act relating to economic development; providing a preference for outdoor recreation grants; stating the legislative intent that this act is not intended to alter the existing divisions of grants; amending Minnesota Statutes 1990, section 116J.980, 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 96 yeas and 32 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Clark	Hartle	Kinkel	Murphy
Anderson, R.	Cooper	Hasskamp	Krueger	Nelson, K.
Anderson, R. H.	Dauner	Hausman	Lasley	Nelson, S.
Battaglia	Dawkins	Hufnagle	Leppik	O'Connor
Bauerly	Dempsey	Jacobs	Lieder	Ogren
Beard	Dille	Janezich	Long	Olson, E.
Begich	Dorn	Jaros	Lourey	Olson, K.
Bertram	Farrell	Jefferson	Lynch	Omann
Bettermann	Frederick	Jennings	Mariani	Orenstein
Blatz	Garcia	Johnson, A.	Marsh	Orfield
Bodahl	Goodno	Johnson, R.	McEachern	Ostrom
Brown	Greenfield	Kahn	McGuire	Ozment
Carlson	Gruenes	Kalis	Milbert	Pelowski
Carruthers	Hanson	Kelso	Munger	Peterson

Pugh	Runbeck	Sparby	Vellenga	Winter
Reding	Sarna	Steensma	Wagenius	Spk. Vanasek
Rest	Seaberg	Thompson	Waltman	
Rice	Segal	Trimble	Wejzman	
Rodosovich	Simoneau	Tunheim	Welle	
Rukavina	Skoglund	Uphus	Wenzel	

Those who voted in the negative were:

Abrams	Haukoos	Krinkie	Pellow	Tompkins
Boo	Heir	Limmer	Schafer	Valento
Davids	Henry	Macklin	Schreiber	Weaver
Erhardt	Hugoson	McPherson	Smith	Welker
Frerichs	Johnson, V.	Olsen, S.	Stanius	
Girard	Knickerbocker	Onnen	Sviggum	
Gutknecht	Koppendrayer	Pauly	Swenson	

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

H. F. No. 1592, A bill for an act relating to health; requiring home care providers to advise persons receiving home care services of certain rights; amending Minnesota Statutes 1990, section 144A.44, subdivision 1.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Olson, E.	Skoglund
Anderson, I.	Garcia	Knickerbocker	Olson, K.	Smith
Anderson, R.	Girard	Koppendrayer	Omann	Sparby
Anderson, R. H.	Goodno	Krinkie	Onnen	Stanius
Battaglia	Greenfield	Krueger	Orenstein	Steensma
Bauerly	Gruenes	Lasley	Orfield	Sviggum
Beard	Gutknecht	Leppik	Osthoff	Swenson
Begich	Hanson	Lieder	Ostrom	Thompson
Bertram	Hartle	Limmer	Ozment	Tompkins
Bettermann	Hasskamp	Long	Pauly	Trimble
Blatz	Haukoos	Lourey	Pellow	Tunheim
Bodahl	Hausman	Lynch	Pelowski	Uphus
Boo	Heir	Macklin	Peterson	Valento
Brown	Henry	Mariani	Pugh	Vellenga
Carlson	Hufnagle	Marsh	Reding	Wagenius
Carruthers	Hugoson	McEachern	Rest	Waltman
Clark	Jacobs	McGuire	Rice	Weaver
Cooper	Janezich	McPherson	Rodosovich	Wejzman
Dauner	Jaros	Milbert	Rukavina	Welker
Davids	Jefferson	Morrison	Runbeck	Welle
Dawkins	Jennings	Munger	Sarna	Wenzel
Dempsey	Johnson, A.	Murphy	Schafer	Winter
Dille	Johnson, R.	Nelson, K.	Scheid	Spk. Vanasek
Dorn	Johnson, V.	Nelson, S.	Schreiber	
Erhardt	Kahn	O'Connor	Seaberg	
Farrell	Kalis	Ogren	Segal	
Frederick	Kelso	Olsen, S.	Simoneau	

The bill was passed and its title agreed to.

S. F. No. 231, A bill for an act relating to insurance; accident and health; defining full-time students for purposes of dependent coverage; proposing coding for new law in Minnesota Statutes, chapter 62A.

The bill was read for the third 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	Frederick	Kelso	Olsen, S.	Simoneau
Anderson, I.	Frerichs	Kinkel	Olson, E.	Skoglund
Anderson, R.	Garcia	Knickerbocker	Olson, K.	Smith
Anderson, R. H.	Girard	Koppendrayer	Omann	Sparby
Battaglia	Goodno	Krinkie	Onnen	Stanius
Bauerly	Greenfield	Krueger	Orenstein	Steensma
Beard	Gruenes	Lasley	Orfield	Sviggum
Begich	Gutknecht	Leppik	Osthoff	Swenson
Bertram	Hanson	Lieder	Ostrom	Thompson
Bettermann	Hartle	Limmer	Ozment	Tompkins
Bishop	Hasskamp	Long	Pauly	Trimble
Blatz	Haukoos	Lourey	Pellow	Tunheim
Bodahl	Hausman	Lynch	Pelowski	Uphus
Boo	Heir	Macklin	Peterson	Valento
Brown	Henry	Mariani	Pugh	Vellenga
Carlson	Hufnagle	Marsh	Reding	Wagenius
Carruthers	Hugoson	McEachern	Rest	Waltman
Clark	Jacobs	McGuire	Rice	Weaver
Cooper	Janezich	McPherson	Rodosovich	Wejzman
Dauner	Jaros	Milbert	Rukavina	Welker
Dauids	Jefferson	Morrison	Runbeck	Welle
Dawkins	Jennings	Munger	Sarna	Wenzel
Dempsey	Johnson, A.	Murphy	Schafer	Winter
Dille	Johnson, R.	Nelson, K.	Scheid	Spk. Vanasek
Dorn	Johnson, V.	Nelson, S.	Schreiber	
Erhardt	Kahn	O'Connor	Seaberg	
Farrell	Kalis	Ogren	Segal	

The bill was passed and its title agreed to.

H. F. No. 564, A bill for an act relating to telephones; exempting certain providers of telephone service from regulation by the public utilities commission; requiring hotels, motels, and other establishments to provide notice of separate charges for use of telephones and notice of which long distance carriers provide service to telephones in the establishments; proposing coding for new law in Minnesota Statutes, chapters 237 and 325F.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 7 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kinkel	Olsen, S.	Simoneau
Anderson, R.	Frerichs	Knickerbocker	Olson, E.	Skoglund
Anderson, R. H.	Garcia	Koppendrayer	Olson, K.	Smith
Battaglia	Girard	Krinkie	Omann	Sparby
Bauerly	Goodno	Krueger	Onnen	Stanius
Beard	Gruenes	Lasley	Orenstein	Steenasma
Begich	Gutknecht	Leppik	Orfield	Sviggum
Bertram	Hartle	Lieder	Ostrom	Swenson
Bettermann	Hasskamp	Limmer	Ozment	Thompson
Bishop	Haukoos	Long	Pauly	Tompkins
Blatz	Hausman	Lourey	Pellow	Trimble
Bodahl	Heir	Lynch	Pelowski	Tunheim
Boo	Henry	Macklin	Peterson	Uphus
Brown	Hufnagle	Mariani	Pugh	Valento
Carlson	Hugoson	Marsh	Reding	Wagenius
Clark	Jacobs	McEachern	Rest	Waltman
Cooper	Janezich	McGuire	Rice	Weaver
Dauner	Jaros	McPherson	Rodosovich	Wejzman
Dauids	Jefferson	Morrison	Rukavina	Welker
Dawkins	Jennings	Munger	Runbeck	Welle
Dempsey	Johnson, A.	Murphy	Sarna	Wenzel
Dille	Johnson, R.	Nelson, K.	Schafer	Winter
Dorn	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Erhardt	Kalis	O'Connor	Seaberg	
Farrell	Kelso	Ogren	Segal	

Those who voted in the negative were:

Anderson, I.	Hanson	Osthoff	Vellenga
Carruthers	Kahn	Scheid	

The bill was passed and its title agreed to.

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

H. F. No. 1127, A bill for an act relating to utilities; prohibiting multiparty line telephone service to more than two subscribers per line; proposing coding for new law in Minnesota Statutes, chapter 237.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 110 yeas and 20 nays as follows:

Those who voted in the affirmative were:

Abrams	Erhardt	Kahn	Nelson, S.	Sarna
Anderson, I.	Farrell	Kalis	O'Connor	Scheid
Anderson, R.	Frerichs	Kelso	Ogren	Seaberg
Battaglia	Garcia	Kinkel	Olsen, S.	Segal
Bauerly	Girard	Koppendrayner	Olson, E.	Simoneau
Beard	Goodno	Krueger	Olson, K.	Skoglund
Begich	Gruenes	Lasley	Omann	Smith
Bertram	Gutknecht	Leppik	Onnen	Sparby
Bettermann	Hanson	Lieder	Orenstein	Steensma
Blatz	Hartle	Long	Orfield	Thompson
Bodahl	Hasskamp	Lourey	Osthoff	Tompkins
Boo	Haukoos	Lynch	Ostrom	Trimble
Brown	Hausman	Macklin	Ozment	Tunheim
Carlson	Heir	Mariani	Pellow	Uphus
Carruthers	Hufnagle	Marsh	Pelowski	Vellenga
Clark	Hugoson	McEachern	Peterson	Wagenius
Cooper	Jacobs	McGuire	Pugh	Weaver
Dauner	Janezich	McPherson	Reding	Wejzman
Davids	Jaros	Milbert	Rest	Welle
Dawkins	Jefferson	Munger	Rice	Wenzel
Dille	Johnson, A.	Murphy	Rodosovich	Winter
Dorn	Johnson, R.	Nelson, K.	Rukavina	Spk. Vanasek

Those who voted in the negative were:

Anderson, R. H.	Henry	Limmer	Schafer	Swenson
Dempsey	Johnson, V.	Morrison	Schreiber	Valento
Frederick	Knickerbocker	Pauly	Stanius	Waltman
Greenfield	Krinkie	Runbeck	Sviggum	Welker

The bill was passed and its title agreed to.

S. F. No. 226 was reported to the House.

Segal moved to amend S. F. No. 226, as follows:

Pages 4 and 5, delete section 4

Pages 9 and 10, delete section 9

Page 11, delete lines 19 to 23

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

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

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

Segal moved to amend S. F. No. 226, as follows:

Page 11, delete lines 19 to 23

A roll call was requested and properly seconded.

POINT OF ORDER

Stanius raised a point of order pursuant to section 398, paragraph 2, of "Mason's Manual of Legislative Procedure" relating to decisions on amendments as final. Speaker pro tempore Krueger ruled the point of order not well taken.

The question recurred on the Segal amendment and the roll was called. There were 50 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Dorn	Lieder	O'Connor	Scheid
Anderson, R.	Farrell	Long	Olson, K.	Segal
Battaglia	Greenfield	Lourey	Orenstein	Simoneau
Bauerly	Hausman	Mariani	Orfield	Skoglund
Beard	Jacobs	McEachern	Osthoff	Thompson
Bodahl	Jefferson	McGuire	Pugh	Trimble
Carlson	Johnson, A.	Munger	Rest	Vellenga
Carruthers	Johnson, R.	Murphy	Rice	Wagenius
Clark	Kahn	Nelson, K.	Rodosovich	Wejzman
Dawkins	Krueger	Nelson, S.	Sarna	Spk. Vanasek

Those who voted in the negative were:

Abrams	Girard	Kelso	Onnen	Steensma
Anderson, R. H.	Goodno	Kinkel	Ostrom	Sviggum
Bertram	Gruenes	Knickerbocker	Ozment	Swenson
Bettermann	Gutknecht	Koppendrayer	Pauly	Tompkins
Blatz	Hanson	Krinkie	Pellow	Tunheim
Boo	Hartle	Lasley	Pelowski	Uphus
Brown	Hasskamp	Leppik	Peterson	Valento
Cooper	Haukoos	Lynch	Reding	Waltman
Dauner	Heir	Macklin	Rukavina	Weaver
Dauids	Henry	Marsh	Runbeck	Welker
Dempsey	Hufnagle	McPherson	Schafer	Welle
Dille	Hugoson	Milbert	Schreiber	Wenzel
Erhardt	Janezich	Morrison	Seaberg	Winter
Frederick	Jaros	Olsen, S.	Smith	
Frerichs	Johnson, V.	Olsen, E.	Sparby	
Garcia	Kalis	Omann	Stanius	

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

S. F. No. 226, A bill for an act relating to human services;

consolidating and simplifying county mental health and community social services planning; authorizing the review and reduction of social service administrative requirements; establishing a process for limiting social services due to county fiscal limitations; amending Minnesota Statutes 1990, sections 245.465; 245.466, subdivision 5; 245.478, subdivisions 1, 2, and 6; 245.4874; 245.4875, subdivision 5; 245.4887, subdivisions 1, 2, and 6; 256.045, subdivision 3; 256E.04, subdivision 1; 256E.05, subdivisions 2, 3, 5, and by adding subdivisions; 256E.08, subdivision 1; 256E.09, subdivisions 1, 3, and 6; and 256E.12, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 256E; repealing Minnesota Statutes 1990, sections 245.462, subdivision 15; 245.4871, subdivision 23; 256B.092, subdivisions 1c and 1d; and 256E.09, subdivisions 4 and 5.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 104 yeas and 24 nays as follows:

Those who voted in the affirmative were:

Abrams	Erhardt	Kinkel	Olsen, S.	Seaberg
Anderson, I.	Frederick	Knickerbocker	Olson, E.	Simoneau
Anderson, R.	Frerichs	Koppendrayner	Olson, K.	Smith
Anderson, R. H.	Garcia	Krinkie	Omann	Sparby
Battaglia	Girard	Krueger	Onnen	Stanius
Bauerly	Goodno	Lasley	Orenstein	Steensma
Begich	Gruenes	Leppik	Orfield	Sviggum
Bertram	Gutknecht	Lieder	Osthoff	Swenson
Bettermann	Hanson	Long	Ostrom	Thompson
Bishop	Hartle	Lourey	Ozment	Tompkins
Blatz	Hasskamp	Lynch	Pauly	Tunheim
Bodahl	Haukoos	Macklin	Pellow	Uphus
Boo	Heir	Marsh	Pelowski	Valento
Brown	Henry	McGuire	Peterson	Waltman
Carlson	Hufnagle	McPherson	Reding	Weaver
Cooper	Hugoson	Milbert	Rest	Welker
Dauner	Janezich	Morrison	Rodosovich	Welle
Dauids	Jaros	Murphy	Rukavina	Wenzel
Dempsey	Johnson, V.	Nelson, K.	Runbeck	Winter
Dille	Kalis	Nelson, S.	Schafer	Spk. Vanasek
Dorn	Kelso	Ogren	Schreiber	

Those who voted in the negative were:

Bead	Greenfield	Johnson, R.	Rice	Trimble
Carruthers	Hausman	Mariani	Sarna	Vellenga
Clark	Jacobs	McEachern	Scheid	Wagenius
Dawkins	Jefferson	O'Connor	Segal	Wejzman
Farrell	Johnson, A.	Pugh	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 378, A bill for an act relating to state lands; authorizing exchange of real property.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Farrell	Kinkel	Olson, K.	Skoglund
Anderson, I.	Frederick	Knickerbocker	Omann	Smith
Anderson, R.	Frerichs	Koppendrayer	Onnen	Sparby
Anderson, R. H.	Garcia	Krinkie	Orenstein	Stanius
Battaglia	Girard	Krueger	Orfield	Steenasma
Bauerly	Goodno	Lasley	Osthoff	Sviggum
Beard	Gruenes	Leppik	Ostrom	Swenson
Begich	Gutknecht	Lieder	Ozment	Thompson
Bertram	Hanson	Long	Pauly	Tompkins
Bettermann	Hartle	Lourey	Pellow	Trimble
Bishop	Hasskamp	Lynch	Pelowski	Tunheim
Blatz	Haukoos	Macklin	Peterson	Uphus
Bodahl	Hausman	Mariani	Pugh	Valento
Boo	Heir	Marsh	Reding	Vellenga
Brown	Henry	McEachern	Rest	Wagenius
Carlson	Hufnagle	McGuire	Rice	Waltman
Carruthers	Hugoson	McPherson	Rodosovich	Weaver
Clark	Jacobs	Milbert	Rukavina	Wejeman
Cooper	Jaros	Morrison	Runbeck	Welker
Dauner	Jefferson	Murphy	Sarna	Welle
Dauids	Johnson, A.	Nelson, K.	Schafer	Wenzel
Dawkins	Johnson, R.	Nelson, S.	Scheid	Winter
Dempsey	Johnson, V.	O'Connor	Schreiber	Spk. Vanasek
Dille	Kahn	Ogren	Seaberg	
Dorn	Kalis	Olsen, S.	Segal	
Erhardt	Kelso	Olson, E.	Simoneau	

Those who voted in the negative were:

Munger

The bill was passed and its title agreed to.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following 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. 1054, A bill for an act relating to retirement; teachers

retirement association; permitting purchases of prior services by certain employees for periods of leave.

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. 53, A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for regulation of certain activities and practices; providing for certain rights-of-way; requiring studies and reports; fixing and limiting accounts and fees; amending Minnesota Statutes 1990, sections 10A.02, by adding a subdivision; 12.14; 15A.081, subdivision 1; 16A.662, subdivisions 2, 4, and 5; 41A.09, subdivision 3; 60A.14, subdivision 1; 60A.17, subdivision 1d; 72B.04, subdivision 7; 80C.04, subdivision 1; 80C.07; 80C.08, subdivision 1; 82.22, subdivisions 1, 5, 10, and 11; 115C.09, by adding a subdivision; 129D.04, by adding subdivisions; 129D.05; 138.91; 138.94; 162.02, subdivision 12; 168C.04; 171.06, subdivision 2a; 171.26; 182.651, by adding subdivisions; 182.661, subdivisions 1, 2, 2a, 3, 3a, and by adding subdivisions; 182.664, subdivisions 3 and 5; 182.666, subdivisions 1, 2, 3, 4, 5, and 5a; 182.669, subdivision 1; 184.28, subdivision 2; 184.29; 184A.09; 239.78; 240.02, subdivisions 2 and 3; 240.06, subdivision 8; 240.155; 240.28; 297B.09, subdivision 1; 299F.57, subdivision 1a; 299F.641, subdivision 2; 299K.07; 299K.09, subdivision 2; 336.9-413; 349.12, subdivision 10; 349.151, subdivision 2; 349A.01, subdivisions 5 and 9; 349A.02, subdivision 1; 349A.03, subdivision 1; 349A.10, subdivision 5; and 626.861, subdivisions 1 and 4; Laws 1989, chapter 269, sections 11, subdivision 7; and 31; repealing Minnesota Statutes 1990, sections 182.664, subdivision 2; 240.01, subdivision 15; 349.12, subdivision 12; 349A.01, subdivisions 3, 4, and 6; and 349B.01; and Laws 1989, chapter 322, section 7.

The Senate has appointed as such committee:

Messrs. Langseth, DeCramer, Beckman, Mehrkens and Metzen.

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. 719, A bill for an act relating to the organization and operation of state government; appropriating money for human services, jobs and training, corrections, health, human rights, housing finance, and other purposes with certain conditions; amending Minnesota Statutes 1990, sections 3.922, subdivisions 3 and 8; 3.9223, subdivision 1; 3.9225, subdivision 1; 3.9226, subdivision 1; 15.46; 43A.191, subdivision 2; 103I.235; 120.183; 144.335, subdivision 1; 144A.071, by adding a subdivision; 144A.31; 144A.46, subdivision 4; 144A.51, subdivision 5; 144A.53, subdivision 1; 145.925, by adding a subdivision; 148B.01, subdivision 7; 148B.03; 148B.04, subdivision 4; 148B.05, subdivision 1; 148B.06, subdivisions 1 and 3; 148B.07, subdivisions 1, 4, 7, and 8; 148B.08; 148B.12; 148B.17; 148B.18, subdivision 10; 148B.33, subdivision 1; 148B.38, subdivision 3; 157.031, subdivisions 2, 3, 4, and 9; 171.29, subdivision 2; 198.007; 214.04, subdivision 3; 241.022; 245.461, subdivision 3, and by adding a subdivision; 245.462, subdivisions 6 and 18; 245.465; 245.4711, by adding a subdivision; 245.472, by adding a subdivision; 245.473, by adding subdivisions; 245.484; 245.487, subdivision 4, and by adding a subdivision; 245.4871, subdivisions 27, 31, and by adding a subdivision; 245.4873, subdivision 6; 245.4874; 245.4881, subdivision 1; 245.4882, by adding subdivisions; 245.4884, subdivision 1; 245.4885, subdivisions 1, 2, and by adding a subdivision; 245.697, subdivision 1; 246.18, subdivision 4, and by adding a subdivision; 246.64, subdivision 3; 251.011, subdivision 3; 252.24, by adding a subdivision; 252.27, subdivisions 1a and 2a; 252.275; 252.28, subdivisions 1, 3, and by adding a subdivision; 252.32; 252.40; 252.46, subdivisions 3, 6, 12, 14, and by adding a subdivision; 252.478, subdivisions 1 and 3; 252.50, subdivision 2; 253C.01, subdivisions 1 and 2; 254B.04, subdivision 1; 256.01, subdivisions 2, 11, and by adding a subdivision; 256.025, subdivisions 1, 2, 3, and 4; 256.031; 256.032; 256.033; 256.034; 256.035; 256.036, subdivisions 1, 2, 4, and 5; 256.045, subdivision 10; 256.482, subdivision 1; 256.736, subdivision 3a; 256.82, subdivision 1; 256.871, subdivision 6; 256.935, subdivision 1; 256.936, by adding a subdivision; 256.9365, subdivisions 1 and 3; 256.9685, subdivision 1; 256.9686, subdivisions 1 and 6; 256.969, subdivisions 1, 2, 2c, 3a, and 6a; 256.9695, subdivision 1; 256.98, by adding a subdivision; 256.983; 256B.031, subdivision 4, and by adding a subdivision; 256B.04, subdivision 16; 256B.055, subdivisions 10 and 12; 256B.057, subdivisions 1, 2, 3, 4, and by adding a subdivision; 256B.0575; 256B.0625, subdivisions 2, 4, 7, 13, 17, 19, 20, 24, 25, 28, 30, and by adding subdivisions; 256B.0627; 256B.064, subdivision 2; 256B.0641, by adding a subdivision; 256B.08, by adding a subdivision; 256B.091, subdivision 8; 256B.092; 256B.093; 256B.19, subdivision 1, and by adding subdivisions; 256B.431, subdivisions 2l, 3e,

3f, and by adding subdivisions; 256B.48, subdivision 1; 256B.49, by adding a subdivision; 256B.491, by adding a subdivision; 256B.50, subdivision 1d; 256B.501, subdivisions 3g, 8, 11, and by adding a subdivision; 256B.64; 256C.24, subdivision 2; 256C.25; 256D.03, subdivisions 2, 2a, 3, and 4; 256D.05, subdivision 6, and by adding a subdivision; 256D.051, subdivisions 1, 1a, 3a, 6, and 8; 256D.052, subdivision 3; 256D.06, subdivision 1b; 256D.07; 256D.10; 256D.101, subdivisions 1 and 3; 256D.36, subdivision 1; 256D.44, by adding a subdivision; 256F.01; 256F.02; 256F.03, subdivision 5; 256F.04; 256F.05; 256F.06; 256F.07, subdivisions 1, 2, and 3; 256H.02; 256H.03; 256H.05; 256H.08; 256H.09, by adding a subdivision; 256H.15, subdivisions 1, 2, and by adding a subdivision; 256H.18; 256H.20, subdivision 3a; 256H.21, subdivision 10; 256H.22, subdivisions 2, 6, and by adding a subdivision; 256I.04, by adding a subdivision; 256I.05, subdivision 2, and by adding subdivisions; 257.071, subdivision 1a; 257.352, subdivision 2; 257.57, subdivision 2; 261.035; 268.022, subdivision 2; 268.39; 268.914; 268.975, subdivision 3, and by adding a subdivision; 268.977; 268.98; 268A.06, by adding a subdivision; 268A.08, subdivision 2; 268A.09, subdivision 2; 270A.04, subdivision 2; 270A.08, subdivision 2; 273.1398, subdivision 1; 299A.21, subdivision 6; 299A.23, subdivision 2; 299A.27; 393.07, subdivisions 10 and 10a; 401.10; 401.13; 462A.02, subdivision 13; 462A.03, subdivisions 10, 13, and 16; 462A.05, subdivisions 14, 20, and by adding subdivisions; 462A.08, subdivision 2; 462A.21, subdivisions 4k, 12a, and 14; 462A.22, subdivision 9; 462A.222, subdivision 3; 471.705, subdivision 1; 474A.048, subdivision 2; 518.551, subdivision 5, and by adding subdivisions; 518.64; 609.52, by adding a subdivision; 638.04; 638.05; 638.06; Laws 1987, chapter 404, section 28, subdivision 1; Laws 1988, chapter 689, article 2, section 256, subdivision 1; and Laws 1989, chapter 335, article 1, section 27, subdivision 1, as amended; proposing coding for new law in Minnesota Statutes, chapters 16B; 144; 145; 148B; 241; 245; 252; 256; 256B; 256D; 256F; 256H; 257; 268A; and 462A; proposing coding for new law as Minnesota Statutes, chapter 144B; repealing Minnesota Statutes 1990, sections 144A.31, subdivisions 2 and 3; 148B.01, subdivisions 2, 5, and 6; 148B.02; 148B.16; 148B.171; 148B.40; 148B.41; 148B.42; 148B.43; 148B.44; 148B.45; 148B.46; 148B.47; 148B.48; 157.031, subdivision 5; 245.476, subdivisions 1, 2, and 3; 252.275, subdivision 2; 256.032, subdivisions 5 and 9; 256.035, subdivisions 6 and 7; 256.036, subdivision 10; 256B.0625, subdivisions 6 and 19; 256B.0627, subdivision 3; 256B.091; 256B.431, subdivision 6; 256B.69, subdivision 8; 256B.71, subdivision 5; 256D.051, subdivisions 1b, 3c, and 16; 256D.052, subdivision 4; 256D.09, subdivision 4; 256D.101, subdivision 2; 256H.26; 462A.05, subdivisions 28 and 29; and Laws 1990, chapter 568, article 6, section 4.

The Senate has appointed as such committee:

Messrs. Samuelson, Renneke and Spear; Ms. Berglin and Mr. Solon.

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 House Concurrent Resolution, as amended, herewith returned:

House Concurrent Resolution No. 1, A house concurrent resolution relating to congressional redistricting; establishing standards for redistricting plans.

PATRICK E. FLAHAVEN, Secretary of the Senate

Rodosovich moved that the House refuse to concur in the Senate amendments to House Concurrent Resolution No. 1, 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 adoption by the Senate of the following House Concurrent Resolution, as amended, herewith returned:

House Concurrent Resolution No. 2, A house concurrent resolution relating to legislative redistricting; establishing standards for redistricting plans.

PATRICK E. FLAHAVEN, Secretary of the Senate

Rodosovich moved that the House refuse to concur in the Senate amendments to House Concurrent Resolution No. 2, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1422:

Rukavina; Sarna; Winter; Anderson, R., and Beard.

The Speaker announced the appointment of the following members of the House to a Conference Committee on House Concurrent Resolution No. 1:

Rodosovich, Knickerbocker and Jefferson.

The Speaker announced the appointment of the following members of the House to a Conference Committee on House Concurrent Resolution No. 2:

Rodosovich, Knickerbocker and Jefferson.

GENERAL ORDERS

Bauerly moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Brown moved that H. F. No. 1589 be recalled from the Committee on Agriculture and be re-referred to the Committee on Appropriations. The motion prevailed.

ADJOURNMENT

Bauerly moved that when the House adjourns today it adjourn until 1:00 p.m., Wednesday, May 8, 1991. The motion prevailed.

Bauerly moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Wednesday, May 8, 1991.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SEVENTH SESSION—1991

FORTY-NINTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MAY 8, 1991

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

Prayer was offered by Pastor Tom Stuart, Way of the Cross Church, Blaine, Minnesota.

The roll was called and the following members were present:

Abrams	Frederick	Kinkel	Olsen, S.	Simoneau
Anderson, I.	Frerichs	Knickerbocker	Olson, E.	Skoglund
Anderson, R.	Garcia	Koppendrayer	Olson, K.	Smith
Anderson, R. H.	Girard	Krinkie	Omann	Solberg
Battaglia	Goodno	Krueger	Omnen	Sparby
Bauerly	Greenfield	Lasley	Orenstein	Stanius
Beard	Gruenes	Leppik	Orfield	Steensma
Begich	Gutknecht	Lieder	Osthoff	Sviggum
Bertram	Hanson	Limmer	Ostrom	Swenson
Bettermann	Hasskamp	Long	Ozment	Thompson
Bishop	Haukoos	Lourey	Pauly	Tompkins
Blatz	Hausman	Lynch	Pellow	Trimble
Bodahl	Heir	Macklin	Pelowski	Tunheim
Boo	Henry	Mariani	Peterson	Uphus
Brown	Hufnagle	Marsh	Pugh	Valento
Carlson	Hugoson	McEachern	Reding	Vellenga
Carruthers	Jacobs	McGuire	Rest	Wagenius
Clark	Janezich	McPherson	Rice	Waltman
Cooper	Jaros	Milbert	Rodosovich	Weaver
Dauner	Jefferson	Morrison	Rukavina	Wejzman
Davids	Jennings	Munger	Runbeck	Welker
Dawkins	Johnson, A.	Murphy	Sarna	Welle
Dempsey	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dille	Johnson, V.	Nelson, S.	Scheid	Winter
Dorn	Kahn	Newinski	Schreiber	Spk. Vanasek
Erhardt	Kalis	O'Connor	Seaberg	
Farrell	Kelso	Ogren	Segal	

A quorum was present.

Hartle was excused until 2:25 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Winter moved that further reading of the Journal be dispensed

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

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Carlson, for the Committee on Appropriations/Education Division, introduced:

H. F. No. 1687, A bill for an act relating to education; establishing missions for public post-secondary systems; requiring joint administrative appointments; clarifying the powers and duties of the higher education coordinating board; creating a commission to develop a master plan and a new funding formula; providing incentives for quality; requiring policies for credit transfer; establishing an intersystem council; creating technical college districts; requiring a study of uses of Waseca campus; appropriating money; amending Minnesota Statutes 1990, section 136A.04, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 135A and 136C.

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

HOUSE ADVISORIES

The following House Advisories were introduced:

Segal and Greenfield introduced:

H. A. No. 25, A proposal to study new approaches to chemical dependency treatment of persons with serious and persistent mental illness.

The advisory was referred to the Committee on Health and Human Services.

Runbeck, Greenfield, Stanius, Vellenga and Clark introduced:

H. A. No. 26, A proposal to conduct an interim study on the treatment needs of violent juvenile sex offenders.

The advisory was referred to the Committee on Judiciary.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 579, A bill for an act relating to retirement; contributions and benefit computation for members of the Richfield police relief association; amending Laws 1965, chapter 458, sections 2, 4, and by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Garcia moved that the House concur in the Senate amendments to H. F. No. 579 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 579, A bill for an act relating to retirement; contributions and benefit computation for members of the Richfield police relief association; amending Laws 1965, chapter 458, sections 2, 4, and by adding a section; repealing Laws 1957, chapter 455, section 2, 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 121 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Clark	Greenfield	Kahn	Mariani
Anderson, I.	Cooper	Hanson	Kalis	McEachern
Anderson, R.	Dauner	Hasskamp	Kelso	McGuire
Anderson, R. H.	Dauids	Haukoos	Kinkel	McPherson
Battaglia	Dawkins	Hausman	Knickerbocker	Milbert
Bauerly	Dempsey	Heir	Koppendrayer	Morrison
Beard	Dille	Henry	Krinkie	Munger
Begich	Dorn	Jacobs	Krueger	Murphy
Bertram	Erhardt	Janezich	Lasley	Nelson, K.
Bettermann	Farrell	Jaros	Leppik	Nelson, S.
Blatz	Frederick	Jefferson	Lieder	Newinski
Bodahl	Frerichs	Jennings	Limmer	O'Connor
Boo	Garcia	Johnson, A.	Long	Ogren
Carlson	Girard	Johnson, R.	Lourey	Olsen, S.
Carruthers	Goodno	Johnson, V.	Lynch	Olson, E.

Olson, K.	Pugh	Seaberg	Thompson	Wejcman
Onnen	Reding	Segal	Tompkins	Welker
Orenstein	Rest	Simoneau	Trimble	Welle
Orfield	Rice	Skoglund	Tunheim	Wenzel
Osthoff	Rodosovich	Smith	Uphus	Winter
Ozment	Rukavina	Solberg	Valento	Spk. Vanasek
Pauly	Sarna	Sparby	Vellenga	
Pellow	Schafer	Stanius	Wagenius	
Pelowski	Scheid	Steensma	Waltman	
Peterson	Schreiber	Swenson	Weaver	

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. 634, 809, 906, 1316 and 1411.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 634, A bill for an act relating to court actions; providing immunity from liability arising out of the use of breath alcohol testing devices in liquor establishments; prohibiting the use of the breath alcohol test as evidence; proposing coding for new law in Minnesota Statutes, chapter 604.

The bill was read for the first time.

Brown moved that S. F. No. 634 and H. F. No. 675, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 809, A bill for an act relating to crimes; providing that it is a prima facie case for certification to adult court if a juvenile used a firearm at the time of the offense or is alleged to have committed a firearms violation after a previous firearms violation; increasing the penalty for furnishing a firearm to a minor; providing for witness protection services; providing for consecutive mandatory minimum sentences for firearm and controlled substances violations; increasing the penalty for theft of a firearm; prohibiting soliciting a juvenile to commit a crime; imposing enhanced penalties for committing a crime to benefit a gang; enhancing penalties for weapons violations in public housing zones; increasing the penalty for unlawful possession of a pistol by a minor; amending Minnesota Statutes 1990, sections 260.125, subdivision 3; 299C.065; 609.05,

subdivision 4, and by adding a subdivision; 609.11, by adding a subdivision; 609.52, subdivision 3; 609.66, subdivisions 1, 1a, and by adding subdivisions; 609.72, subdivision 1; 609.902, subdivision 4; 624.713, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 609.

The bill was read for the first time.

Orenstein moved that S. F. No. 809 and H. F. No. 867, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 906, A bill for an act relating to retirement; authorizing purchase of military service credit by a certain teachers retirement association member.

The bill was read for the first time.

Beard moved that S. F. No. 906 and H. F. No. 1044, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1316, A bill for an act relating to horse racing; authorizing the commission to adopt rules governing affirmative action plan goals and economic opportunity contract goals; amending Minnesota Statutes 1990, sections 240.06, subdivision 1; 240.07, subdivision 1; 240.19; and 240.23.

The bill was read for the first time.

Osthoff moved that S. F. No. 1316 and H. F. No. 1392, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1411, A bill for an act relating to housing; requiring counseling for reverse mortgage loans; providing penalties; amending Minnesota Statutes 1990, section 47.58, by adding a subdivision.

The bill was read for the first time.

Thompson moved that S. F. No. 1411 and H. F. No. 1359, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

REPORT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

Long, from the Committee on Rules and Legislative Administration, pursuant to rule 1.09, designated the following bills as Special Orders to be acted upon immediately preceding Special Orders pending for today, Wednesday, May 8, 1991:

S. F. Nos. 81 and 793; H. F. No. 267; S. F. No. 417; H. F. Nos. 786, 1197 and 669; S. F. Nos. 302 and 1315; H. F. Nos. 1119, 1189, 202, 1190 and 1593; S. F. No. 437; H. F. Nos. 958 and 1142; S. F. No. 531; H. F. No. 867; S. F. Nos. 953, 691, 880 and 636; H. F. Nos. 765, 1147, 20 and 1359; and S. F. Nos. 1032, 355, 998, 1027, 687, 460 and 918.

REPORT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

Long, for the Committee on Rules and Legislative Administration, offered the following report and moved its adoption:

Resolved that Rule 1.16 of the Permanent Rules of the House of Representatives for the 77th Session be amended to read as follows:

1.16 TIME LIMIT FOR CONSIDERATION OF BILLS. If 20 legislative days after a bill has been referred to committee or division (other than a bill in Appropriations) no report has been made upon it by the committee or division, its chief author may request that it be returned to the House and the request shall be entered in the Journal for the day. The committee or division shall have ten calendar days thereafter in which to vote upon the bill requested. If the committee or division fails to vote upon it within the ten days, the chief author may, at any time within five calendar days thereafter, present a written demand to the Speaker for its immediate return to the House. The demand shall be entered in the Journal for that day and shall constitute the demand of the House. The bill shall then be considered to be in the possession of the House, given its second reading and placed at the end of General Orders.

Such bill is subject to re-reference by a majority vote of the whole House. If the motion to re-refer is made on the day of the demand or within one legislative day thereafter, the motion shall take precedence over all other motions except privileged motions and shall be in order at any time.

In regular session in the odd-numbered year after Friday, May 10

May 17, 1991, and in the even-numbered year after, the House shall not act on bills other than those recommended by conference committee reports or the Committee on Rules and Legislative Administration, and those bills contained in messages from the Senate or from the Governor.

The motion prevailed and the amendment to the Permanent Rules of the House for the 77th Session was adopted.

The Speaker called Rodosovich to the Chair.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Ogren requested immediate consideration of H. F. No. 833.

H. F. No. 833 was reported to the House.

Scheid and Schreiber moved to amend H. F. No. 833, the second engrossment, as follows:

Page 9, line 29, after "and" insert "(1)"

Page 9, line 30, before the period insert "or (2) the proposed project meets the following requirements:

(i) the proposed project is the rehabilitation of an existing multi-family building which meets the requirements for minimum rehabilitation expenditures in section 42(e)(2) of the Internal Revenue Code;

(ii) the developer of the proposed project includes a managing general partner which is a nonprofit organization under chapter 317A and meets the requirements for a qualified nonprofit organization in section 42(h)(5) of the Internal Revenue Code; and

(iii) the proposed project involves participation by a local unit of government in the financing of the acquisition or rehabilitation of the project"

Page 9, lines 34 and 35, delete the underscored text

The motion prevailed and the amendment was adopted.

H. F. No. 833, A bill for an act relating to economic development;

regulating the use of tax-exempt revenue bonds; amending Minnesota Statutes 1990, sections 474A.02, subdivisions 1, 2b, 7, 8, 19, and by adding subdivisions; 474A.03; 474A.04, subdivision 1a; 474A.047, subdivisions 1 and 3; 474A.061, subdivisions 1, 2a, 2b, 2c, 3, and 4; 474A.091, subdivisions 1, 2, 3 and 5; 474A.131, by adding a subdivision; 474A.15; 474A.16; and 474A.17; proposing coding for new law in Minnesota Statutes, chapters 462A and 462C; repealing Minnesota Statutes 1990, sections 474A.048; and 474A.081, subdivisions 1, 2, and 4.

The bill was read for the third time, as amended, and placed upon its final passage.

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

Those who voted in the affirmative were:

Abrams	Frerichs	Knickerbocker	Olson, E.	Skoglund
Anderson, I.	Garcia	Koppendrayser	Olson, K.	Smith
Anderson, R.	Girard	Krinkie	Omann	Solberg
Anderson, R. H.	Goodno	Krueger	Onnen	Sparby
Battaglia	Greenfield	Lasley	Orenstein	Stanius
Bauerly	Gruenes	Leppik	Orfield	Steensma
Beard	Gutknecht	Lieder	Osthoff	Sviggum
Begich	Hanson	Limmer	Ostrom	Swenson
Bertram	Hasskamp	Long	Ozment	Thompson
Bettermann	Haukoos	Lourey	Pauly	Tompkins
Blatz	Hausman	Lynch	Pellow	Trimble
Bodahl	Heir	Macklin	Pelowski	Tunheim
Boo	Henry	Mariani	Peterson	Uphus
Brown	Hufnagle	Marsh	Pugh	Valento
Carlson	Hugoson	McEachern	Reding	Vellenga
Carruthers	Jacobs	McGuire	Rest	Wagenius
Clark	Janezich	McPherson	Rice	Waltman
Cooper	Jaros	Milbert	Rodosovich	Weaver
Dauner	Jefferson	Morrison	Rukavina	Wejcman
Davids	Jennings	Munger	Runbeck	Welker
Dawkins	Johnson, A.	Murphy	Sarna	Welle
Dempsey	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dille	Johnson, V.	Nelson, S.	Scheid	Winter
Dorn	Kahn	Newinski	Schreiber	Spk. Vanasek
Erhardt	Kalis	O'Connor	Seaberg	
Farrell	Kelso	Ogren	Segal	
Frederick	Kinkel	Olsen, S.	Simoneau	

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

SPECIAL ORDERS

S. F. No. 81 was reported to the House.

Janezich moved that S. F. No. 81 be temporarily laid over on Special Orders. The motion prevailed.

S. F. No. 793 was reported to the House.

Wagenius moved that S. F. No. 793 be temporarily laid over on Special Orders. The motion prevailed.

H. F. No. 267 was reported to the House.

Kalis moved that H. F. No. 267 be temporarily laid over on Special Orders. The motion prevailed.

S. F. No. 417 was reported to the House.

There being no objection, S. F. No. 417 was temporarily laid over on Special Orders.

H. F. No. 786 was reported to the House.

Blatz moved that H. F. No. 786 be temporarily laid over on Special Orders. The motion prevailed.

H. F. No. 1197 was reported to the House.

Bauerly moved to amend H. F. No. 1197, the first engrossment, as follows:

Page 1, after line 20, insert:

"Sec. 2. Minnesota Statutes 1990, section 80C.14, is amended by adding a new subdivision to read:

Subd. 6. [RIGHT OF FIRST REFUSAL LIMITED.] If, under the terms of the franchise agreement, the franchisor has the right of first refusal or first option to buy when the franchisee decides to transfer, assign, or sell any right or interest in the franchise, and, in addition, the franchisee must obtain the franchisor's prior consent to a transfer, assignment, or sale of any right or interest in the franchise, then after the franchisee notifies the franchisor and makes an offer to transfer, assign, or sell the right or interest in the franchise to the franchisor, the franchisor has 60 days in which to enter into a binding agreement with the franchisee. If, after 60 days, the franchisor has not exercised the right or option, then the franchisee is free to transfer, assign, or sell to another subject only to the franchisor's consent."

Page 2, line 3, delete "Section 1 is" and insert "Sections 1 and 2 are"

Page 2, line 4, delete "applies" and insert "apply"

Renumber the sections in sequence

Amend the title accordingly

Correct internal references

The motion prevailed and the amendment was adopted.

Seaberg moved to amend H. F. No. 1197, the first engrossment, as amended, as follows:

In the Bauerly amendment, page 1, line 17, after "another" insert a period

Page 1, delete line 18

The motion prevailed and the amendment was adopted.

H. F. No. 1197, A bill for an act relating to commerce; franchises; regulating assignments, transfers, and sales; amending Minnesota Statutes 1990, section 80C.14, 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 123 yeas and 9 nays as follows:

Those who voted in the affirmative were:

Abrams	Carruthers	Hanson	Kalis	McEachern
Anderson, I.	Clark	Hasskamp	Kelso	McGuire
Anderson, R.	Cooper	Hausman	Kinkel	McPherson
Anderson, R. H.	Dauner	Heir	Knickerbocker	Milbert
Battaglia	Dawkins	Henry	Koppendrayner	Morrison
Bauerly	Dempsey	Hufnagle	Krueger	Munger
Beard	Dille	Hugoson	Lasley	Murphy
Begich	Dorn	Jacobs	Leppik	Nelson, K.
Bertram	Erhardt	Janezich	Lieder	Nelson, S.
Bettermann	Farrell	Jaros	Limmer	Newinski
Bishop	Garcia	Jefferson	Long	O'Connor
Blatz	Girard	Jennings	Lourey	Ogren
Bodahl	Goodno	Johnson, A.	Lynch	Olsen, S.
Boo	Greenfield	Johnson, R.	Macklin	Olson, E.
Brown	Gruenes	Johnson, V.	Mariani	Olson, K.
Carlson	Gutknecht	Kahn	Marsh	Omann

Onnen	Pugh	Schreiber	Swenson	Waltman
Orenstein	Reding	Seaberg	Thompson	Weaver
Orfield	Rest	Segal	Tompkins	Wejzman
Osthoff	Rice	Simoneau	Trimble	Welle
Ostrom	Rodosovich	Skoglund	Tunheim	Wenzel
Ozment	Rukavina	Smith	Uphus	Winter
Pauly	Sarna	Solberg	Valento	Spk. Vanasek
Pelowski	Schafer	Sparby	Vellenga	
Peterson	Scheid	Steensma	Wagenius	

Those who voted in the negative were:

Davids	Frerichs	Krinkie	Stanius	Welker
Frederick	Haukoos	Pellow	Sviggum	

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

S. F. No. 81 which was temporarily laid over earlier today was again reported to the House.

Janezich moved to amend S. F. No. 81, the unofficial engrossment, as follows:

Page 1, after line 21, insert:

“Section 1. Minnesota Statutes 1990, section 180.03, is amended by adding a subdivision to read:

Subd. 5. Upon written notice to the county mine inspector, a person, firm, or corporation that is actively and exclusively engaged in the business of cold water aquaculture shall be exempt from the requirements of subdivision 3. The exemption shall only apply to those portions of idle or abandoned open pit mines that are actively being used for aquaculture operations and that are owned by the person, firm, or corporation. A landowner exempted assumes all responsibility for inspection and safety measures pertaining to the affected parcels of land and the county mine inspector is relieved of inspection requirements. The notice provided to the county mine inspector pursuant to this subdivision shall be annual and shall be filed with the county mine inspector's office by January 15 of each year. The notice shall describe the affected parcels of land and shall provide a sworn affidavit by the landowner that the subject property will be actively and exclusively used for aquaculture purposes during the calendar year. Failure to comply with the notice requirement of this subdivision makes the idle or abandoned open pit mines subject to the provisions of subdivision 3.”

Page 8, after line 31, insert:

“Sec. 11. Minnesota Statutes 1990, section 375B.04, is amended to read:

375B.04 [CREATION BY COUNTY BOARD.]

The county board of commissioners of any county, except a metropolitan county as defined in section 473.121, subdivision 4, ~~and any other county containing a city of the first class,~~ may establish a subordinate service district in a portion of the county by adoption of an appropriate resolution. Before the adoption of the resolution, the county board shall hold a public hearing on the question of whether or not a subordinate service district shall be established. The resolution shall specify the service or services to be provided within the subordinate service district and shall specify the territorial boundaries of the district.”

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. 81, the unofficial engrossment, as amended, as follows:

Page 8, after line 31, insert:

“Sec. 10. Minnesota Statutes 1990, section 383B.68, subdivision 1, is amended to read:

Subdivision 1. ~~Effective January 1, 1983, and~~ Notwithstanding any provision of sections 398.02 to 398.04, or any other law to the contrary, the board of park district commissioners of the Hennepin county park reserve district shall consist of seven commissioners ~~appointed or~~ elected as provided in this section.

Sec. 11. Minnesota Statutes 1990, section 383B.68, subdivision 3, is amended to read:

Subd. 3. ~~Five~~ Seven park district commissioners shall be elected as provided in this subdivision to represent those portions of Hennepin county outside of the city of Minneapolis. One park district commissioner shall be elected without party designation from each of the districts established pursuant to subdivision 4. Elections under this subdivision shall be held at the same time and in the same manner as elections for the office of county commis-

commissioner beginning at the ~~1986~~ general election. Each park district commissioner elected pursuant to this subdivision shall be a resident of the district represented and shall serve for a term of four years and until a successor is elected and qualifies, except that the term of office of each park district commissioner elected at the general election held in the year of a federal census shall be only two years and until a successor is elected and qualifies. At the general election following redistricting as required in subdivision 4, the ~~three~~ four commissioners from odd-numbered districts shall be elected for four-year terms and the ~~two~~ three commissioners from even-numbered districts shall be elected for two-year terms. If a vacancy occurs in the office of any commissioner elected pursuant to this subdivision, the board of park district commissioners shall appoint a successor residing in that district to fill the unexpired term.

Sec. 12. Minnesota Statutes 1990, section 383B.68, subdivision 4, is amended to read:

Subd. 4. ~~After September 1, 1985, and after at least 30 days' notice and public hearing,~~ The board of park district commissioners of the Hennepin county park reserve district shall divide the territory of Hennepin county outside the city of Minneapolis into ~~five~~ seven districts, which constitute the Hennepin county park reserve district. Each district shall be composed of contiguous territory as regular and compact in form as practicable and as nearly equal in population as possible, provided that no district shall vary in population more than ten percent from the average of all the districts, unless compliance with this requirement requires division of a voting precinct. After each federal census and by not later than 120 days before the next ensuing general election, after at least 30 days notice and public hearing, the board of park district commissioners of the Hennepin county park reserve district shall redistrict the territory of the Hennepin county park reserve district into new commissioner districts as necessary to comply with the provisions of this subdivision. The districts established pursuant to this subdivision shall remain effective until new districts are established. Any person aggrieved by a districting plan established pursuant to this subdivision may challenge the plan in the same manner as a county commissioner districting plan may be challenged pursuant to section 375.025. The district court in reviewing any challenge to a districting plan under this subdivision shall proceed in the manner prescribed by section 375.025. Each districting plan established pursuant to this subdivision shall be filed in the office of the director of finance of Hennepin county or any successor office and shall be effective 31 days after its publication in a newspaper of general circulation in the county. The first board of seven elected commissioners shall be elected in 1992.

Sec. 13. [REPEALER.]

Minnesota Statutes 1990, sections 383B.68, subdivision 2; and 383B.69, are repealed.

Sec. 14. [LOCAL APPROVAL.]

Sections 10 to 13 take effect the day after the Hennepin county park reserve district board complies with Minnesota Statutes, section 645.021, subdivision 3."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

POINT OF ORDER

Rice raised a point of order pursuant to rule 3.09 that the Schreiber 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 Schreiber amendment and the roll was called. There were 70 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Abrams	Garcia	Krinkie	Omann	Skoglund
Anderson, R.	Girard	Krueger	Onnen	Smith
Anderson, R. H.	Goodno	Lasley	Ozment	Stanius
Bettermann	Gruenes	Leppik	Pauly	Sviggum
Bishop	Gutknecht	Limmer	Pellow	Swenson
Blatz	Haukoos	Lynch	Pelowski	Tompkins
Boo	Heir	Macklin	Pugh	Uphus
Davids	Henry	Marsh	Rodosovich	Valento
Dempsey	Hufnagle	McPherson	Runbeck	Wagenius
Dille	Hugoson	Morrison	Schafer	Waltman
Dorn	Johnson, V.	Munger	Scheid	Weaver
Erhardt	Kahn	Nelson, S.	Schreiber	Welker
Frederick	Knickerbocker	Newinski	Seaberg	Wenzel
Frerichs	Koppendrayner	Olsen, S.	Simoneau	Winter

Those who voted in the negative were:

Anderson, I.	Brown	Hanson	Johnson, A.	Lourey
Battaglia	Carlson	Hasskamp	Johnson, R.	Mariani
Bauerly	Carruthers	Jacobs	Kalis	McEachern
Beard	Cooper	Janezich	Kelso	McGuire
Begich	Dauner	Jaros	Kinkel	Milbert
Bertram	Dawkins	Jefferson	Lieder	Murphy
Bodahl	Greenfield	Jennings	Long	Nelson, K.

O'Connor	Orfield	Rest	Solberg	Tunheim
Ogren	Osthoff	Rice	Sparby	Vellenga
Olson, E.	Ostrom	Rukavina	Steensma	Wejcman
Olson, K.	Peterson	Sarna	Thompson	Welle
Orenstein	Reding	Segal	Trimble	Spk. Vanasek

The motion prevailed and the amendment was adopted.

S. F. No. 81, A bill for an act relating to towns; clarifying certain provisions for the terms of town supervisor; providing for the compensation of certain town officers and employees; amending Minnesota Statutes 1990, sections 367.03, subdivision 1; and 367.05, 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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kinkel	Olsen, S.	Skoglund
Anderson, I.	Frerichs	Knickerbocker	Olson, E.	Smith
Anderson, R.	Garcia	Koppendrayner	Olson, K.	Solberg
Anderson, R. H.	Girard	Krinkie	Omann	Sparby
Battaglia	Goodno	Krueger	Onnen	Stanius
Bauerly	Greenfield	Lasley	Orenstein	Steensma
Beard	Gruenes	Leppik	Orfield	Sviggum
Begich	Gutknecht	Lieder	Osthoff	Swenson
Bertram	Hanson	Limmer	Ostrom	Thompson
Bettermann	Hasskamp	Long	Ozment	Tompkins
Bishop	Haukoos	Lourey	Pauly	Trimble
Blatz	Hausman	Lynch	Pellow	Tunheim
Bodahl	Heir	Macklin	Pelowski	Uphus
Boo	Henry	Mariani	Peterson	Valento
Brown	Hufnagle	Marsh	Reding	Vellenga
Carlson	Hugoson	McEachern	Rest	Wagenius
Carruthers	Jacobs	McGuire	Rice	Waltman
Clark	Janezich	McPherson	Rodosovich	Weaver
Cooper	Jaros	Milbert	Rukavina	Wejcman
Dauner	Jefferson	Morrison	Runbeck	Welker
Davids	Jennings	Munger	Sarna	Welle
Dawkins	Johnson, A.	Murphy	Schafer	Wenzel
Dempsey	Johnson, R.	Nelson, K.	Scheid	Winter
Dille	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Dorn	Kahn	Newinski	Seaberg	
Erhardt	Kalis	O'Connor	Segal	
Farrell	Kelso	Ogren	Simoneau	

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

Anderson, R., was excused while in conference.

H. F. No. 267 which was temporarily laid over earlier today was again reported to the House.

Kalis moved to amend H. F. No. 267, the first engrossment, as follows:

Page 2, line 6, delete "and" and insert "or"

Page 2, line 7, after "fertilizer" insert "or pesticide"

Page 2, line 12, delete "trailer" in both places and insert "semi-trailer"

Page 2, line 16, delete "trailer" and insert "semitrailer"

Page 3, line 20, delete "by law" and insert "in section 5"

Page 3, line 23, before "Code" insert "49" and delete ", title 49"

Page 3, line 24, after "and" insert "in"

Page 5, line 19, delete "trailer" and insert "semitrailer"

Page 5, line 22, after "service" delete everything through the period and insert "under the North American Uniform Driver, Vehicle, and Hazardous Materials Out-of-Service Criteria issued by the federal highway administration and the commercial motor vehicle safety alliance."

Page 6, line 22, delete "and" and insert "or" and after "fertilizer" insert "or pesticide"

Page 6, line 29, strike "effective" and before "July" insert "suspended until"

Page 6, line 33, delete "50" and insert "75"

Page 6, line 35, delete "9" and insert "8"

Page 6, line 36, after the period insert "Section 9 is effective retroactively to April 1, 1991."

The motion prevailed and the amendment was adopted.

Welker; Sviggum; Omann; Girard; Hugoson; Koppendrayer; Waltman; Johnson, V.; Bettermann and Uphus moved to amend H. F. No. 267, the first engrossment, as amended, as follows:

Page 1, after line 25, insert sections to read:

“Section 1. Minnesota Statutes 1990, section 168.011, is amended by adding a subdivision to read:

Subd. 17a. [FARM USE TRUCKS.] “Farm use truck” means all trucks, trailers, and semi-trailers licensed as farm use trucks and used by the owner of the truck to transport within a 40 mile radius of the home post office of the owner of the truck (1) agricultural, horticultural, dairy, and other farm products, including livestock, produced or finished by the owner of the truck, and any other personal property owned by the farmer to whom the license for the truck is issued, from the farm to market, and (2) property and supplies to the farm of the owner.

Sec. 2. Minnesota Statutes 1990, section 168.013, subdivision 1c, is amended to read:

Subd. 1c. [FARM TRUCKS.] (1) (a) On farm trucks and farm use trucks having a gross weight of not more than 57,000 pounds, the tax shall be based on total gross weight and shall be 45 percent of the Minnesota base rate prescribed by subdivision 1e during each of the first eight years of vehicle life, but in no event less than \$35, and during the ninth and succeeding years of vehicle life the tax shall be 27 percent of the Minnesota base rate prescribed by subdivision 1e, but in no event less than \$21.

(2) (b) On farm trucks and farm use trucks having a gross weight of more than 57,000 pounds, the tax shall be 60 percent of the Minnesota base rate during each of the first eight years of vehicle life and 36 percent of the Minnesota base rate during the ninth and succeeding years.

Sec. 3. Minnesota Statutes 1990, section 168.12, subdivision 1, is amended to read:

Subdivision 1. [NUMBER PLATES; VISIBILITY, PERIODS OF ISSUANCE.] The registrar, upon the approval and payment, shall issue to the applicant the number plates required by law, bearing the state name and the number assigned. The number assigned may be a combination of a letter or sign with figures. The color of the plates and the color of the abbreviation of the state name and the number assigned shall be in marked contrast. License plates issued to farm use trucks must have a distinctive orange background color. The plates shall be lettered, spaced, or distinguished to suitably indicate the registration of the vehicle according to the rules of the registrar, and when a vehicle is registered on the basis of total gross weight, the plates issued shall clearly indicate by letters or other suitable insignia the maximum gross weight for which the tax has been paid. These number plates shall be so treated as to be at least 100 times brighter than the conventional painted number plates. When properly mounted on an unlighted vehicle, these number plates, when viewed from a vehicle equipped with standard head-

lights, shall be visible for a distance of not less than 1,500 feet and readable for a distance of not less than 110 feet. The registrar shall issue these number plates for the following periods:

(1) Number plates issued pursuant to sections 168.27, subdivisions 16 and 17, and 168.053 shall be for a one-year period.

(2) New number plates issued pursuant to section 168.012, subdivision 1, shall be issued to a vehicle for as long as it is owned by the exempt agency and shall not be transferable from one vehicle to another but may be transferred with the vehicle from one tax exempt agency to another.

(3) Plates issued for passenger automobiles as defined in section 168.011, subdivision 7, shall be issued for a seven-year period. All plates issued under this paragraph must be replaced if they are seven years old or older at the time of annual registration or will become so during the registration period.

(4) Plates for any vehicle not specified in clauses (1), (2) and (3), except for trailers as hereafter provided, shall be issued for the life of the vehicle. Beginning with number plates issued for the year 1981, plates issued for trailers with a total gross weight of 3,000 pounds or less shall be issued for the life of the trailer and shall be not more than seven inches in length and four inches in width.

In a year in which plates are not issued, the registrar shall issue for each registration a tab or sticker to designate the year of registration. This tab or sticker shall show the calendar year or years for which issued, and is valid only for that period. The number plates, number tabs, or stickers issued for a motor vehicle may not be transferred to another motor vehicle during the period for which it is issued.

Notwithstanding any other provision of this subdivision, number plates issued to a vehicle which is used for behind-the-wheel instruction in a driver education course in a public school may be transferred to another vehicle used for the same purpose without payment of any additional fee. The registrar shall be notified of each transfer of number plates under this paragraph and may prescribe a form for notification.

Sec. 4. [169.146] [FARM USE TRUCKS; MAXIMUM SPEED.]

A vehicle licensed as a farm use truck may not be operated at a speed in excess of 40 miles per hour.

Renumber the remaining sections

Page 2, line 4, delete "or"

Page 2, line 7, after "fertilizer" insert ", or (4) a farm use truck"

Amend the title:

Page 1, line 2, after the semicolon insert: "providing for the registration and licensing of certain farm trucks, and imposing certain restrictions on their use; exempting certain farm trucks from mandatory commercial vehicle inspection;"

Page 1, line 21, after "sections" insert "168.011, by adding a subdivision; 168.013, subdivision 1c; 168.12, subdivision 1;"

Page 1, line 24, after "11" insert "; proposing coding for new law in Minnesota Statutes, chapter 169"

A roll call was requested and properly seconded.

The question was taken on the Welker et al amendment and the roll was called. There were 35 yeas and 96 nays as follows:

Those who voted in the affirmative were:

Anderson, R. H.	Frederick	Henry	Marsh	Schafer
Bettermann	Frerichs	Hufnagle	McPherson	Stanius
Blatz	Girard	Hugoson	Olson, K.	Sviggum
Boo	Gruenes	Johnson, V.	Omann	Swenson
Davids	Gutknecht	Koppendrayner	Onnen	Waltman
Dempsey	Haukoos	Krinkie	Pauly	Weaver
Erhardt	Heir	Lynch	Runbeck	Welker

Those who voted in the negative were:

Abrams	Goodno	Leppik	Orenstein	Smith
Anderson, I.	Greenfield	Lieder	Orfield	Solberg
Battaglia	Hanson	Limmer	Osthoff	Sparby
Bauerly	Hartle	Long	Ostrom	Steensma
Beard	Hasskamp	Lourey	Ozment	Thompson
Begich	Hausman	Macklin	Pellow	Tompkins
Bertram	Jacobs	Mariani	Pelowski	Trimble
Bishop	Janezich	McEachern	Peterson	Tunheim
Bodahl	Jaros	McGuire	Pugh	Valento
Brown	Jefferson	Milbert	Reding	Vellenga
Carlson	Jennings	Morrison	Rest	Wagenius
Carruthers	Johnson, A.	Munger	Rice	Wejcmn
Clark	Johnson, R.	Murphy	Rodosovich	Welle
Cooper	Kahn	Nelson, K.	Rukavina	Wenzel
Dauner	Kafis	Nelson, S.	Sarna	Winter
Dawkins	Kelso	Newinski	Scheid	Spk. Vanasek
Dille	Kinkel	O'Connor	Seaberg	
Dorn	Knickerbocker	Ogren	Segal	
Farrell	Krueger	Olsen, S.	Simoneau	
Garcia	Lasley	Olson, E.	Skoglund	

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

Dempsey moved to amend H. F. No. 267, the first engrossment, as amended, as follows:

Page 6, line 22, insert sections to read:

“Sec. 9. Minnesota Statutes 1990, section 221.011, subdivision 15, is amended to read:

Subd. 15. “Motor carrier” means a carrier operating for hire ~~under the authority of this chapter~~ and subject to the rules and orders of the commissioner ~~and the board~~.

Sec. 10. Minnesota Statutes 1990, section 221.141, subdivision 4, is amended to read:

Subd. 4. [IRREGULAR ROUTE CARRIERS OF HOUSEHOLD GOODS.] ~~An irregular route common carrier of A household goods carrier shall maintain in effect cargo insurance or cargo bond in the amount of \$50,000 and shall file with the commissioner a cargo certificate of insurance or cargo bond. A cargo certificate of insurance must conform to Form H, Uniform Motor Cargo Certificate of Insurance, described in Code of Federal Regulations, title 49, part 1023. A cargo bond must conform to Form J, described in Code of Federal Regulations, title 49, part 1023. Both Form H and Form J are incorporated by reference. The cargo certificate of insurance or cargo bond must be issued in the full and correct name of the person, corporation, or partnership to whom the irregular route common carrier of household goods permit was issued and household goods carrier whose operations are being insured. A carrier that was issued a permit as an irregular route common carrier of household goods before August 1, 1989, shall obtain and file a cargo certificate of insurance or bond within 90 days of August 1, 1989.~~

Sec. 11. Minnesota Statutes 1990, section 221.261, is amended to read:

221.261 [COMPLAINTS, ACTION IN DISTRICT COURT.]

An action or proceeding may be instituted, upon verified complaint of the commissioner or any interested person in any district court of any county wherein a motor carrier has a principal office or into which its route extends, for the enforcement of any provision of this chapter, or any order, rule or directive of the commissioner ~~or board~~ herein authorized, and the court may grant provisional or other relief, ordinary or extraordinary, legal or equitable, which the nature of the case may require, including temporary mandatory or restraining orders. Except when there is a constitutional right to trial by jury not expressly waived, all proceedings shall be tried summarily by the court and these matters shall take precedent over all other matters except criminal cases.

Sec. 12. Minnesota Statutes 1990, section 221.271, is amended to read:

221.271 [LIABILITY.]

Any person which shall do or cause to be done any unlawful act as herein provided, or fail to perform any duty prescribed, or violate any duly established order, rule or directive of the commissioner ~~or board~~, or which shall aid or abet in the performance of any unlawful act or in the failure to perform any such duty, shall be liable in damages to any person injured thereby, and such person, if the person recovers, shall be allowed, in addition to damages, reasonable attorneys' fees, together with costs and disbursements.

Sec. 13. Minnesota Statutes 1990, section 221.281, is amended to read:

221.281 [VIOLATIONS, PENALTIES.]

Any ~~regular route common motor carrier or petroleum carrier~~, or any officer, agent or employee of any such carrier, failing to comply with any final order, decision, rule, or directive, or any part or provision thereof, of the commissioner ~~or board~~, or any provision of sections 221.011 to 221.296, shall be subject to a penalty of \$50 for each and every day of such failure, to be recovered for the state in a civil action brought by the commissioner. ~~Any such carrier granting any special rate, rebate, drawback, or directly or indirectly charging, demanding, or collecting a greater or less compensation than provided by its regular established schedule of rates and charges, shall be punished by a fine not exceeding \$10,000 for each such offense.~~

Sec. 14. Minnesota Statutes 1990, section 221.291, subdivision 1, is amended to read:

Subdivision 1. [VIOLATION.] Except as provided in ~~subdivisions 4 and 5, and~~ sections 221.036 and 609.671, a person who commits, procures, aids or abets or conspires to commit, or attempts to commit, aid or abet in the violation of a provision of this chapter or a valid order or rule of the commissioner ~~or board~~ issued hereunder, whether individually or in connection with one or more persons or as principal, agent, or accessory, shall be guilty of a misdemeanor, and every person who falsely, fraudulently, forcibly, or willfully induces, causes, coerces, requires, permits, or directs another to violate a provision of this chapter, is likewise guilty of a misdemeanor. Every distinct violation is a separate offense.

Sec. 15. [REPEALER.]

Minnesota Statutes 1990, sections 221.011, subdivisions 7, 8, 9,

10, 11, 12, 14, 17, 18, 24, 25, 28, and 32; 221.021; 221.022; 221.0315; 221.041; 221.051; 221.061; 221.071; 221.081; 221.091; 221.101; 221.111; 221.121; 221.122; 221.123; 221.131; 221.132; 221.151; 221.161; 221.165; 221.171; 221.185; 221.251; 221.291, subdivisions 4 and 5; 221.295; and 221.296; are repealed."

Renumber the remaining sections

Page 6, after line 33, insert:

"(d) Sections 9 to 15 are effective July 1, 1992."

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Dempsey amendment and the roll was called. There were 59 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Jennings	Morrison	Seaberg
Anderson, R. H.	Girard	Johnson, V.	Olsen, S.	Smith
Bertram	Goodno	Koppendrayner	Olson, K.	Stanisus
Bettermann	Gruenes	Krinkie	Omann	Sviggum
Blatz	Gutknecht	Krueger	Onnen	Swenson
Boo	Hartle	Leppik	Ostrom	Tompkins
Dauids	Haukoos	Limmer	Ozment	Uphus
Dempsey	Heir	Lynch	Pauly	Waltman
Dille	Henry	Macklin	Pellow	Weaver
Dorn	Hufnagle	Marsh	Pugh	Welker
Erhardt	Hugoson	McEachern	Runbeck	Winter
Frederick	Jaros	McPherson	Schafer	

Those who voted in the negative were:

Anderson, I.	Greenfield	Lieder	Osthoff	Sparby
Battaglia	Hanson	Long	Pelowski	Steensma
Bauerly	Hasskamp	Lourey	Peterson	Thompson
Beard	Hausman	Mariani	Reding	Trimble
Begich	Jacobs	McGuire	Rest	Tunheim
Bodahl	Janezich	Milbert	Rice	Valento
Brown	Jefferson	Munger	Rodosovich	Vellenga
Carlson	Johnson, A.	Murphy	Rukavina	Wagenius
Carruthers	Johnson, R.	Nelson, K.	Sarna	Wejman
Clark	Kahn	Nelson, S.	Scheid	Welle
Cooper	Kalis	Newinski	Schreiber	Wenzel
Dauner	Kelso	O'Connor	Segal	Spk. Vanasek
Dawkins	Kinkel	Ogren	Simoneau	
Farrell	Knickerbocker	Olson, E.	Skoglund	
Garcia	Lasley	Orenstein	Solberg	

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

Lasley moved to amend H. F. No. 267, the first engrossment, as amended, as follows:

Page 3, line 27, after the period insert:

"The commissioner shall issue separate categories of inspector certificates based on the following classifications:

(1) a class of certificate that authorizes the certificate holder to inspect commercial motor vehicles without regard to ownership or lease; and

(2) a class of certificate that authorizes the certificate holder to inspect only commercial motor vehicles the certificate holder owns or leases.

The commissioner shall issue a certificate described in clause (1) only to a person described in paragraph (b), clause (2) or (3)."

The motion prevailed and the amendment was adopted.

H. F. No. 267, A bill for an act relating to motor vehicles; exempting from commercial vehicle inspection requirements and hazardous material driver's license endorsement requirements, pickup trucks carrying certain quantities of petroleum products or liquid fertilizer; reducing the minimum size of fleets of commercial vehicles permitted to conduct self-inspections; specifying the commercial vehicle inspection standards to be adopted by the commissioner of public safety; providing that certain vehicles may be issued certificates by complying with out-of-service criteria, and that such certificates are valid for two years; providing certain proof of federal inspection in lieu of state inspection decal requirements; changing the period of time for which inspection records must be retained; lowering the property damage level of accidents subject to postcrash vehicle inspections; delaying effective date of requirement that all commercial vehicles bear a commercial vehicle inspection decal; amending Minnesota Statutes 1990, sections 169.781, subdivisions 1, 2, 3, 4, 5, and by adding a subdivision; 169.783, subdivision 1; 171.02, by adding a subdivision; and Laws 1990, chapter 563, section 11.

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	Frerichs	Kinkel	Olsen, S.	Simoneau
Anderson, I.	Garcia	Knickerbocker	Olson, E.	Skoglund
Anderson, R. H.	Girard	Koppendrayer	Olson, K.	Smith
Battaglia	Goodno	Krinkie	Omann	Solberg
Bauerly	Greenfield	Krueger	Onnen	Sparby
Beard	Gruenes	Lasley	Orenstein	Stanius
Begich	Gutknecht	Leppik	Orfield	Steensma
Bertram	Hanson	Lieder	Osthoff	Sviggum
Bettermann	Hartle	Limmer	Ostrom	Swenson
Bishop	Hasskamp	Long	Ozment	Thompson
Blatz	Haukoos	Lourey	Pauly	Tompkins
Bodahl	Hausman	Lynch	Pellow	Trimble
Boo	Heir	Macklin	Pelowski	Tunheim
Brown	Henry	Mariani	Peterson	Uphus
Carlson	Hufnagle	Marsh	Pugh	Valento
Carruthers	Hugoson	McEachern	Reding	Vellenga
Clark	Jacobs	McGuire	Rest	Wagenius
Cooper	Janezich	McPherson	Rice	Waltman
Dauner	Jaros	Milbert	Rodosovich	Weaver
Dauids	Jefferson	Morrison	Rukavina	Wejzman
Dawkins	Jennings	Munger	Runbeck	Welker
Dempsey	Johnson, A.	Murphy	Sarna	Welle
Dille	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dorn	Johnson, V.	Nelson, S.	Scheid	Winter
Erhardt	Kahn	Newinski	Schreiber	Spk. Vanasek
Farrell	Kalis	O'Connor	Seaberg	
Frederick	Kelso	Ogner	Segal	

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

S. F. No. 793 which was temporarily laid over earlier today was again reported to the House.

Wagenius moved to amend S. F. No. 793, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 115A.9155, subdivision 2, is amended to read:

Subd. 2. [MANUFACTURER RESPONSIBILITY.] (a) A manufacturer of batteries subject to subdivision 1 shall:

(1) ensure that a system for the proper collection, transportation, and processing of waste batteries exists for purchasers in Minnesota; and

(2) clearly inform each final purchaser of the prohibition on disposal of waste batteries and of the system or systems for proper collection, transportation, and processing of waste batteries available to the purchaser.

(b) To ensure that a system for the proper collection, transportation, and processing of waste batteries exists, a manufacturer shall:

(1) identify collectors, transporters, and processors for the waste batteries and contract or otherwise expressly agree with a person or persons for the proper collection, transportation, and processing of the waste batteries; or

(2) accept waste batteries returned to its manufacturing facility.

(c) At the time of sale of a battery subject to subdivision 1, a manufacturer shall provide in a clear and conspicuous manner a telephone number that the final consumer of the battery can call to obtain information on specific procedures to follow in returning the battery for recycling or proper disposal.

The manufacturer may include the telephone number and notice of return procedures on an invoice or other transaction document held by the purchaser. The manufacturer shall provide the telephone number to the commissioner of the agency.

(d) A manufacturer shall ensure that the cost of proper collection, transportation, and processing of the waste batteries is included in the sales transaction or agreement between the manufacturer and any purchaser.

(d) (e) A manufacturer that has complied with this subdivision is not liable under subdivision 1 for improper disposal by a person other than the manufacturer of waste batteries.

Sec. 2. [115A.9157] [RECHARGEABLE BATTERIES AND APPLIANCES.]

Subdivision 1. [DEFINITION.] For the purpose of this section "rechargeable battery" means a sealed nickel-cadmium battery, a sealed lead acid battery, or any other rechargeable battery that is not governed by section 115A.9155 or exempted by the commissioner.

Subd. 2. [PROHIBITION.] Effective August 1, 1991, a person may not place in mixed municipal solid waste a rechargeable battery, a rechargeable battery pack, or an appliance powered by rechargeable batteries or rechargeable battery pack, from which all batteries or battery packs have not been removed.

Subd. 3. [COLLECTION AND MANAGEMENT COSTS.] A manufacturer of rechargeable batteries or appliances powered by rechargeable batteries is responsible for the costs of collecting and managing waste rechargeable batteries and waste appliances to ensure that the batteries are not part of the solid waste stream.

Subd. 4. [PILOT PROJECTS.] By April 15, 1992, manufacturers whose rechargeable batteries or appliances powered by rechargeable batteries are sold in this state shall implement pilot projects for the collection and proper management of all rechargeable batteries and the participating manufacturers' appliances powered by rechargeable batteries. Manufacturers may act as a group or through a representative organization. The pilot projects must run for a minimum of 18 months and be designed to collect sufficient state-wide data for the design and implementation of permanent collection and management programs that may be reasonably expected to collect at least 90 percent of waste rechargeable batteries and the participating manufacturers' appliances powered by rechargeable batteries that are generated in the state.

By December 1, 1991, the manufacturers or their representative organization shall submit plans for the projects to the legislative commission. At least every six months during the pilot projects the manufacturers shall submit progress reports to the commission. The commission shall review the plans and progress reports.

By November 1, 1993, the manufacturers or their representative organization shall report to the legislative commission the final results of the projects and plans for implementation of permanent programs. The commission shall review the final results and plans.

Subd. 5. [COLLECTION AND MANAGEMENT PROGRAMS.] By April 15, 1994, the manufacturers or their representative organization shall implement permanent programs, based on the results of the pilot projects required in subdivision 3, that may be reasonably expected to collect 90 percent of the waste rechargeable batteries and the participating manufacturers' appliances powered by rechargeable batteries that are generated in the state. The batteries and appliances collected must be recycled or otherwise managed or disposed of properly.

Subd. 6. [LIST OF PARTICIPANTS.] The manufacturers or their representative organization shall maintain a list of manufacturers participating in projects and programs and make the list available to retailers, distributors, governmental agencies and other interested persons.

Subd. 7. [CONTRACTS.] A manufacturer or a representative organization of manufacturers may contract with the state or a political subdivision to provide collection services under this section. The manufacturer or organization shall fully reimburse the state or political subdivision for the value of any services rendered under this subdivision.

Subd. 8. [ANTICOMPETITIVE CONDUCT.] A manufacturer or organization of manufacturers and its officers, members, employees, and agents who participate in projects or programs to collect and

properly manage waste rechargeable batteries or appliances powered by rechargeable batteries are immune from liability under state law relating to antitrust, restraint of trade, unfair trade practices, and other regulation of trade or commerce for activities related to the collection and management of batteries and appliances required under this section.

Sec. 3. Minnesota Statutes 1990, section 325E.125, subdivision 2, is amended to read:

Subd. 2. [MERCURY CONTENT.] (a) A manufacturer may not sell, distribute, or offer for sale in this state an alkaline manganese battery that contains more than .30 percent mercury by weight, ~~or after February 1, 1992,~~ 0.025 percent mercury by weight.

(b) On application by a manufacturer, the commissioner of the pollution control agency may exempt a specific type of battery from the requirements of paragraph (a) or (d) if there is no battery meeting the requirements that can be reasonably substituted for the battery for which the exemption is sought. ~~The manufacturer of A~~ battery exempted by the commissioner under this paragraph is subject to the requirements of section 115A.9155, subdivision 2.

(c) Notwithstanding paragraph (a), a manufacturer may not sell, distribute, or offer for sale in this state ~~after January 1, 1992,~~ a button cell alkaline manganese nonrechargeable battery not subject to paragraph (a) that contains more than 25 milligrams of mercury.

(d) A manufacturer may not sell, distribute, or offer for sale in this state a dry cell battery containing a mercuric oxide electrode.

(e) After January 1, 1996, a manufacturer may not sell, distribute, or offer for sale in this state an alkaline manganese battery, except an alkaline manganese button cell, that contains mercury unless the commissioner of the pollution control agency determines that compliance with this requirement is not technically and commercially feasible.

Sec. 4. Minnesota Statutes 1990, section 325E.125, is amended by adding a subdivision to read:

Subd. 2a. [APPROVAL OF NEW BATTERIES.] A manufacturer may not sell, distribute, or offer for sale in this state a nonrechargeable battery other than a zinc air, zinc carbon, silver oxide, lithium, or alkaline manganese battery, without first having received approval of the battery from the commissioner of the pollution control agency. The commissioner shall approve only batteries that comply with subdivision 1 and do not pose an undue hazard when disposed of. This subdivision is intended to ensure that new types of batteries

do not add additional hazardous or toxic materials to the state's mixed municipal waste stream.

Sec. 5. Minnesota Statutes 1990, section 325E.125, is amended by adding a subdivision to read:

Subd. 4. [RECHARGEABLE BATTERIES AND APPLIANCES; NOTICE.] (a) A person who sells rechargeable batteries or appliances powered by rechargeable batteries governed by section 115A.9157 at retail shall post the notice in paragraph (b) in a manner clearly visible to a consumer making purchasing decisions.

(b) The notice must be at least 4 inches by 6 inches and state:

“NOTICE: USED RECHARGEABLE BATTERIES AND APPLIANCES

It is illegal to put a rechargeable battery or rechargeable appliance in the garbage. These products contain toxic heavy metals. State law requires manufacturers of these products to establish a statewide consumer collection system by April 15, 1994.”

Sec. 6. Minnesota Statutes 1990, section 325E.125, is amended by adding a subdivision to read:

Subd. 5. [PROHIBITIONS.] A manufacturer of rechargeable batteries or appliances powered by rechargeable batteries that does not participate in the pilot projects and programs required in section 115A.9157 may not sell, distribute, or offer for sale in this state rechargeable batteries or appliances powered by rechargeable batteries after January 1, 1992.

After January 1, 1992, a person who first purchases rechargeable batteries or appliances powered by rechargeable batteries for importation into the state for resale may not purchase rechargeable batteries or appliances powered by rechargeable batteries made by any person other than a manufacturer that participates in the projects and programs required under section 115A.9157.

Sec. 7. Minnesota Statutes 1990, section 325E.1251, is amended to read:

325E.1251 [PENALTY ENFORCEMENT.]

Subdivision 1. [PENALTY.] Violation of sections 115A.9155 and 325E.125 is a misdemeanor. A manufacturer who violates section 115A.9155 or 325E.125 is also subject to a minimum fine of \$100 per violation.

Subd. 2. [RECOVERY OF COSTS.] In an enforcement action under this section in which the state prevails, the state may recover reasonable administrative expenses, court costs, and attorney fees incurred to take the enforcement action, in an amount to be determined by the court.

Sec. 8. [EFFECTIVE DATES.]

(a) Section 3, paragraphs (a), (b), and (d), are effective February 1, 1992, and apply to batteries manufactured on or after that date.

(b) For zinc air batteries that exceed 100 milligrams in weight, section 3, paragraph (c), is effective February 1, 1993, and applies to batteries manufactured on or after that date.

(c) For all other batteries, section 3, paragraph (c), is effective August 1, 1991, and applies to batteries manufactured on or after that date. Section 3, paragraph (e), applies to batteries manufactured on or after January 1, 1996."

Delete the title and insert:

"A bill for an act relating to the environment; establishing maximum content levels of mercury in batteries; prohibiting certain batteries; prohibiting the disposal of rechargeable batteries in mixed municipal solid waste; requiring a notice to consumers; amending Minnesota Statutes 1990, sections 115A.9155, subdivision 2; 325E.125, subdivision 2, and by adding subdivisions; and 325E.1251; proposing coding for new law in Minnesota Statutes, chapter 115A."

The motion prevailed and the amendment was adopted.

Wagenius moved to amend S. F. No. 793, as amended, as follows:

Page 2, line 30, after the second comma insert "a product with a nonremovable rechargeable battery," and delete "an appliance" and insert "a product"

Page 2, lines 34 and 36, delete "appliances" and insert "products"

Page 2, line 36, after "managing" insert "its"

Page 3, lines 3 and 7, delete "appliances" and insert "products"

Page 3, lines 4 and 7, after "by" insert "nonremovable"

Pages 3 and 4, delete subdivision 6 and insert:

“Subd. 6. [LIST OF PARTICIPANTS.] A manufacturer or its representative organization shall inform the legislative commission on waste management when they begin participating in the projects and programs and immediately if they withdraw participation. The list of participants shall be available to retailers, distributors, governmental agencies and other interested persons who provide a self-addressed stamped envelope to the commission.”

Page 4, line 9, after “any” insert “contractual”

Page 4, line 22, after “(a)” insert “Except as provided in paragraph (c),”

Page 5, after line 34, insert:

“The notice is not required for home solicitation sales as defined in section 325G.06 or for catalogue sales.”

Page 5, delete lines 35 and 36

Page 6, delete lines 1 to 4 and insert:

“Attention

users of rechargeable batteries and cordless products under Minnesota law, manufactures of rechargeable batteries, rechargeable battery packs, and products powered by nonremovable rechargeable batteries, will provide a special collection system by April 15, 1994. DO not put these products in the garbage. You must, by law, use the special collection system that will be provided in your area.

The state of Minnesota,
Your retailer and manufacturer”

The motion prevailed and the amendment was adopted.

S. F. No. 793, A bill for an act relating to the environment; establishing maximum content levels of mercury in batteries; prohibiting certain batteries; amending Minnesota Statutes 1990, sections 115A.9155, subdivision 2; 325E.125, subdivision 2, and by adding a subdivision; and 325E.1251.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Olson, E.	Skoglund
Anderson, I.	Garcia	Knickerbocker	Olson, K.	Smith
Anderson, R. H.	Girard	Koppendrayer	Omenn	Solberg
Battaglia	Goodno	Krueger	Omenn	Sparby
Bauerly	Greenfield	Lasley	Orenstein	Stanisus
Beard	Gruenes	Leppik	Orfield	Steensma
Begich	Gutknecht	Lieder	Osthoff	Sviggum
Bertram	Hanson	Limmer	Ostrom	Swenson
Bettermann	Hartle	Long	Ozment	Thompson
Bishop	Hasskamp	Lourey	Pauly	Tompkins
Blatz	Haukoos	Lynch	Pellow	Trimble
Bodahl	Hausman	Macklin	Pelowski	Tunheim
Boo	Heir	Mariani	Peterson	Uphus
Brown	Henry	Marsh	Pugh	Valento
Carlson	Hufnagle	McEachern	Reding	Vellenga
Carruthers	Hugoson	McGuire	Rest	Wagenius
Clark	Jacobs	McPherson	Rice	Waltman
Cooper	Janezich	Milbert	Rodosovich	Weaver
Dauner	Jaros	Morrison	Rukavina	Wejcmán
Davids	Jefferson	Munger	Runbeck	Welle
Dawkins	Jennings	Murphy	Sarna	Wenzel
Dempsey	Johnson, A.	Nelson, K.	Schafer	Winter
Dille	Johnson, R.	Nelson, S.	Scheid	Spk. Vanasek
Dorn	Johnson, V.	Newinski	Schreiber	
Erhardt	Kahn	O'Connor	Seaberg	
Farrell	Kalis	Ogren	Segal	
Frederick	Kelso	Olsen, S.	Simoneau	

Those who voted in the negative were:

Krinkie Welker

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

H. F. No. 786 which was temporarily laid over earlier today was again reported to the House.

Blatz moved to amend H. F. No. 786, the first engrossment, as follows:

Page 4, delete lines 28 to 36 and insert:

“Subd. 5. [ARBITRATION.] (a) The sole remedy for a sales representative against a manufacturer, wholesaler, assembler, or importer who has allegedly violated alleges a violation of any provision of this section is to submit the matter to arbitration. A sales representative may also submit a matter to arbitration, or in the alternative, at the employee’s sales representative’s option prior to the arbitration hearing, the employee sales representative may bring the employee’s sales representative’s common law claims in a court of law, and in that event all claims must be resolved in that forum. In the event the parties do not agree to an arbitrator within 30 days after the sales representative demands arbitration in a writing, either party may request the appointment of an arbitrator

from the American Arbitration Association. Each party to a sales representative agreement shall be bound by the arbitration. In the event that the American Arbitration Association declines to appoint an arbitrator, the arbitration shall proceed under chapter 572. The cost of an arbitration hearing must be borne equally by both parties. Except as provided in paragraph (c), the arbitration proceeding is to be governed by the uniform arbitration act, sections 572.08 to 572.30.

(b) The arbitrator may provide any of the following remedies:

(1) sustainment of the termination of the sales representative agreement;

(2) reinstatement of the sales representative agreement, or damages for its breach;

(3) payment of commissions due under subdivision 4;

(4) reasonable attorneys' fees and costs to a prevailing sales representative;

(5) reasonable attorneys' fees and costs to a prevailing manufacturer, wholesaler, assembler, or importer, if the arbitrator finds the complaint was frivolous, unreasonable, or without foundation; or

(6) the full amount of the arbitrator's fees and expenses if the arbitrator finds that the sales representative's resort to arbitration or the manufacturer's, wholesaler's, assembler's, or importer's defense in arbitration was vexatious and lacking in good faith.

(c) Notwithstanding any provision of the uniform arbitration act to the contrary, the decision of any arbitration hearing under this subdivision is final and binding on the sales representative and the manufacturer, wholesaler, assembler, or importer. The district court shall, upon application of a party, issue an order confirming the decision.

Page 5, delete lines 1 to 36

Page 6, delete lines 1 to 6

The motion prevailed and the amendment was adopted.

H. F. No. 786, A bill for an act relating to contracts; providing for enforcement of certain contracts; making technical changes; correcting inconsistencies; clarifying certain provisions; amending Minnesota Statutes 1990, section 325E.37.

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	Frerichs	Kinkel	Olsen, S.	Simoneau
Anderson, I.	Garcia	Knickerbocker	Olsen, E.	Skoglund
Anderson, R. H.	Girard	Koppendraye	Olson, K.	Smith
Battaglia	Goodno	Krinkie	Omann	Solberg
Bauerly	Greenfield	Krueger	Onnen	Sparby
Beard	Gruenes	Lasley	Orenstein	Stanius
Begich	Gutknecht	Leppik	Orfield	Steensma
Bertram	Hanson	Lieder	Osthoff	Svigum
Bettermann	Hartle	Limmer	Ostrom	Swenson
Bishop	Hasskamp	Long	Ozment	Thompson
Blatz	Haukoos	Lourey	Pauly	Tompkins
Bodahl	Hausman	Lynch	Pellow	Trimble
Boo	Heir	Macklin	Pelowski	Tunheim
Brown	Henry	Mariani	Peterson	Uphus
Carlson	Hufnagle	Marsh	Pugh	Valento
Carruthers	Hugoson	McEachern	Reding	Vellenga
Clark	Jacobs	McGuire	Rest	Wagenius
Cooper	Janezich	McPherson	Rice	Waltman
Dauner	Jaros	Milbert	Rodosovich	Weaver
Davids	Jefferson	Morrison	Rukavina	Wejcmann
Dawkins	Jennings	Munger	Runbeck	Welker
Dempsey	Johnson, A.	Murphy	Sarna	Welle
Dille	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dorn	Johnson, V.	Nelson, S.	Scheid	Winter
Erhardt	Kahn	Newinski	Schreiber	Spk. Vanasek
Farrell	Kalis	O'Connor	Seaberg	
Frederick	Kelso	Ogren	Segal	

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

H. F. No. 669 was reported to the House.

Hugoson moved to amend H. F. No. 669, the first engrossment, as follows:

Page 2, line 23, delete "must" and insert "may"

Page 2, line 24, delete "\$1 per"

Page 2, line 25, delete "hundredweight"

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

H. F. No. 669, A bill for an act relating to agriculture; providing a

“Minnesota extra” category of dairy products; proposing coding for new law in Minnesota Statutes, chapter 32.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 76 yeas and 55 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Hanson	Long	Ostrom	Steensma
Battaglia	Hasskamp	Lourey	Pelowski	Thompson
Bauerly	Hausman	Mariani	Peterson	Trimble
Beard	Jacobs	McEachern	Pugh	Tunheim
Begich	Janezich	McGuire	Reding	Uphus
Bertram	Jaros	Milbert	Rest	Vellenga
Brown	Jefferson	Munger	Rice	Wagenius
Carlson	Jennings	Murphy	Rodosovich	Wejeman
Carruthers	Johnson, A.	Nelson, K.	Rukavina	Welle
Clark	Johnson, R.	Nelson, S.	Sarna	Wenzel
Cooper	Kahn	O'Connor	Scheid	Winter
Dawkins	Kalis	Ogren	Segal	Spk. Vanasek
Dorn	Kinkel	Olson, E.	Simoneau	
Farrell	Krueger	Olson, K.	Skoglund	
Greenfield	Leppik	Orenstein	Solberg	
Gruenes	Lieder	Orfield	Sparby	

Those who voted in the negative were:

Abrams	Frerichs	Johnson, V.	Morrison	Schreiber
Anderson, R. H.	Garcia	Kelso	Newinski	Seaberg
Bettermann	Girard	Knickerbocker	Olsen, S.	Smith
Bodahl	Goodno	Koppendrayner	Omann	Stanius
Boo	Gutknecht	Krinkie	Onnen	Sviggum
Dauner	Hartle	Lasley	Osthoff	Swenson
Davids	Haukoos	Limmer	Ozment	Tompkins
Dempsey	Heir	Lynch	Pauty	Valento
Dille	Henry	Macklin	Pellow	Waltman
Erhardt	Hufnagle	Marsh	Runbeck	Weaver
Frederick	Hugoson	McPherson	Schafer	Welker

The bill was passed and its title agreed to.

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. 99, A bill for an act relating to transportation; designating trunk highway No. 61 and the Lake City rest area as disabled

American veterans memorial highway and rest area; authorizing special license plates for certain military personnel; amending Minnesota Statutes 1990, sections 161.14, by adding a subdivision; 168.12, subdivision 2c, and by adding a subdivision; and 168.123, subdivision 2.

Reported the same back with the following amendments:

Page 1, lines 16 and 18, delete "memorial"

Page 5, line 11, after "Shield" delete the comma and insert "or"

Page 5, line 12, after "Storm" delete ", or other military operation"

Amend the title as follows:

Page 1, line 4, delete "memorial"

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. 118, A bill for an act relating to occupational safety and health; honoring workers fatally injured while working on public projects; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 182.

Reported the same back with the following amendments:

Page 1, delete section 2

Amend the title as follows:

Page 1, line 4, delete "appropriating money;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 691, A bill for an act relating to health; increasing funding for the nutritional supplement program known as WIC to expand services; appropriating money.

Reported the same back with the following amendments:

Page 1, line 17, delete "\$12,000,000" and insert "\$500,000" and after "fund" insert "for fiscal year 1992"

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. 694, A bill for an act relating to the environment; establishing an environmental enforcement account; establishing a field citation pilot project for unauthorized disposal of solid waste; authorizing background investigations of environmental permit applicants; expanding current authority to impose administrative penalties for air and water pollution and solid waste management violations; imposing criminal penalties for knowing violations of standards related to hazardous air pollutants and toxic pollutants in water; providing that certain property is subject to forfeiture in connection with convictions for water pollution and air pollution violations; imposing criminal penalties for unauthorized disposal of solid waste; authorizing prosecution of environmental crimes by the attorney general; providing for environmental restitution as part of a sentence; increasing criminal penalties for false statements on documents related to permits and record keeping; requiring reports; amending Minnesota Statutes 1990, sections 18D.331, subdivision 4; 115.071, by adding a subdivision; 115.072; 115C.05; 116.07, subdivision 4d; 116.072, subdivisions 1, 2, 6, 10, and 11; 609.531, subdivision 1; and 609.671; proposing coding for new law in Minnesota Statutes, chapters 115 and 116.

Reported the same back with the following amendments:

Page 2, line 18, delete "environmental enforcement account in the"

Page 2, line 19, delete everything after "4"

Page 2, line 20, delete everything before the period

Page 2, delete lines 22 to 27

Page 2, line 28, delete "(1)"

Page 2, line 33, delete everything after "taxes," and insert "up to the amount appropriated for implementation of this act, must be deposited in the state treasury and credited to the environmental fund. Any amounts remaining must be deposited in the general fund."

Page 2, delete lines 34 to 36

Page 3, delete lines 1 to 20

Page 3, line 23, delete everything after "commissioner"

Page 3, line 24, delete everything before "may"

Page 4, line 15, delete "and of conservation officers"

Page 11, delete lines 22 to 24

Page 11, line 31, strike "so that the product becomes" and insert "in violation of this chapter, chapter 18B or 18C, or a standard, special order, stipulation agreement, or schedule of compliance of the commissioner and the agricultural chemical is"

Page 14, delete lines 17 to 28 and insert "purposes of this section, an act is committed knowingly if it is done voluntarily and is not the result of negligence, mistake, accident, or circumstances that are beyond the control of the defendant. Whether an act was knowing may be inferred from the person's conduct, from the person's familiarity with the subject matter in question, or from all of the facts and circumstances connected with the case. Knowledge may also be established by evidence that the person took affirmative steps to shield the person from relevant information. Proof of knowledge does not require that a person knew a particular act or failure to act was a violation of law or that the person had specific knowledge of the regulatory limits or testing procedures involved in a case."

Page 14, line 29, delete "by" and insert "of" and delete "officer" and insert "official"

Page 14, line 31, delete "officer" and insert "official"

Page 14, line 32, delete "officer" and insert "official"

Page 14, line 33, delete "officer" and insert "official"

Page 14, line 36, delete everything after "activities" and insert "related to the alleged violation, but not solely"

Page 15, line 1, delete "prove merely"

Page 15, line 3, after "information" insert "regarding the offense for which the defendant is charged" and delete "reasonably" and insert "reasonable and"

Page 15, line 4, delete "under the circumstances" and insert "in the defendant's position" and delete "learn or attempt to"

Page 15, after line 5, insert:

"(c) Knowledge of a corporation may be established by showing that an illegal act was performed by an agent acting on behalf of the corporation within the scope of employment and in furtherance of the corporation's business interest, unless a high managerial person with direct supervisory authority over the agent demonstrated due diligence to prevent the crime's commission."

Page 17, line 23, delete "could" and insert "is likely to"

Page 18, line 1, strike "gross misdemeanor" and insert "crime"

Page 18, after line 23, insert:

"(f) A person is not guilty of a crime under this subdivision if the person notified the pollution control agency as soon as the person discovered the violation and took steps to promptly remedy the violation, unless the violation was intentional."

Page 20, after line 17, insert:

"(b) A person is not guilty of a crime under this subdivision or subdivision 6 if the person notified the pollution control agency as soon as the person discovered the violation and took steps to promptly remedy the violation, unless the violation was intentional."

Page 20, line 18, delete "(b)" and insert "(c)"

Page 21, delete lines 3 to 10

Page 21, after line 13, insert:

"Sec. 6. [APPROPRIATION; 1992-1993 BIENNIUM.]

Subdivision 1. [ADMINISTRATION.] \$460,000 the first year and \$430,000 the second year are appropriated to the pollution control agency from the environmental fund for administration of articles 1 and 2.

Subd. 2. [LEGAL FEES.] \$119,000 each year is appropriated to the pollution control agency from the environmental fund for payment of attorney general fees incurred under articles 1 and 2."

Amend the title as follows:

Page 1, line 20, 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. 702, A bill for an act relating to agriculture; transferring the rural finance authority to the department of agriculture; changing the makeup and certain duties and procedures of the authority; providing for an agricultural development bond program to finance agricultural business enterprises and beginning farmers; establishing a dairy upgrading program; appropriating funds; amending Minnesota Statutes 1990, sections 41B.025, subdivisions 1, 3, 5, and 6; 41B.211; 474A.02, subdivisions 13a and 23a; 474A.03, subdivision 1; 474A.061, subdivisions 1, 2b, 3, and 4; 474A.091; 474A.14; proposing coding for new law in Minnesota Statutes, chapter 41B; proposing coding for new law as Minnesota Statutes, chapter 41C.

Reported the same back with the following amendments:

Page 16, delete lines 1 to 5 and insert:

"Subd. 2. [MINNESOTA RURAL FINANCE AUTHORITY.] (a) \$330,000 is appropriated from the general fund to the commissioner of agriculture for administering the duties of the rural finance authority in fiscal years 1992 and 1993.

(b) The approved complement of the department of agriculture is increased by three general fund positions.

(c) The appropriations to the department of finance are reduced by \$330,000 for fiscal years 1992 and 1993.

(d) The approved complement of the department of finance is reduced by three positions."

Page 16, line 12, delete "1993" and insert "1992" and delete "appropriated as needed" and insert "available through legislative appropriation"

Page 16, line 19, after the period insert "The origination fee initially shall be set at 1.5 percent and the application fee at \$50. The authority shall review the fees annually and make adjustments as necessary."

Page 16, after line 21, insert:

"Sec. 18. [41C.13] [RULES.]

The authority may adopt rules for the efficient administration of this chapter. The rules need not be adopted in compliance with chapter 14."

Page 17, line 30, delete "\$....." and insert "\$15,000,000"

Page 25, delete lines 16 to 18 and insert:

"(a) \$150,000 is appropriated from the general fund to the rural finance authority administrative fund for developing and promoting the agricultural development bond program. This appropriation must be reimbursed from the rural finance administrative fund to the general fund from revenue to the rural finance authority administrative fund by June 30, 1993.

(b) The approved complement of the department of agriculture is increased by two special revenue positions. One of the positions is in the unclassified service."

Page 25, line 19, delete "(b)" and insert "(c)"

Renumber the sections in article 1 in sequence

Correct internal references

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. 860, A bill for an act relating to economic development; providing funding for the Red River trade corridor project; 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:

H. F. No. 961, A bill for an act relating to agriculture; appropriating money for the farmer-lender mediation program.

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. 1000, A bill for an act relating to farm safety; authorizing a program for training youth in the safe operation of farm equipment; requiring a farm safety specialist; providing for a pilot project of comprehensive farm safety audits; requiring certain safety equipment on farm tractors at time of sale; establishing a research center for agricultural health and safety; requiring certain studies and reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 17; 137; and 325F.

Reported the same back with the following amendments:

Page 2, line 24, delete "shall" and insert "may"

Page 3, line 2, before "No" insert "(a)" and after "dealer" insert "or other seller"

Page 3, line 5, delete "the following" and delete "that"

Page 3, delete lines 6 to 11

Page 3, line 12, delete everything before the period and insert "as provided in paragraphs (b) and (c).

(b) If originally provided by the manufacturer, the farm tractor must have

(1) power-take-off shields; and

(2) road transport lighting and reflector systems.

(c) Whether or not originally provided by the manufacturer, the farm tractor must have a slow-moving vehicle sign displayed in accordance with section 169.522"

Page 4, line 9, before "\$160,000" insert "Subdivision 1. [YOUTH SAFETY PROGRAM.]"

Page 4, after line 15, insert:

"Subd. 2. [APPROPRIATION, HEALTH SCREENING.] \$130,000 is appropriated from the general fund for the biennium ending June 30, 1993, to the commissioner of health to provide funding to the environmental pathology program of the University of Minnesota's department of laboratory medicine and pathology and department of family practice and community health to continue a health screening and intervention program for herbicide and fumigant applicators in the state. This appropriation is nonrecurring and shall not be included in the base for the 1993-1995 biennial budget request."

Page 4, delete lines 16 to 20

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. 1353, A bill for an act relating to economic development; establishing an international partnership program in the Minnesota trade office; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [116J.974] [INTERNATIONAL PARTNERSHIP PROGRAM.]

The commissioner shall establish an international partnership program to promote joint ventures in research and development, commercialization, and export opportunities between Minnesota companies, foreign companies, and foreign governments. The purpose of the partnership program is to encourage Minnesota business development, joint venture access to foreign markets, and the export of state products, and to create employment opportunities in Minnesota. Activities of the partnership program must include the following:

(1) develop and maintain a database of international partnership programs that finance, assist, or otherwise promote joint projects or ventures with companies in the United States;

(2) collect and disseminate information on international joint venture programs to Minnesota companies and entrepreneurs;

(3) provide technical assistance to Minnesota companies in preparing proposals or other applications for international programs that support joint projects or ventures;

(4) explore methods of improved access to new and expanding international markets in the European Economic Community 1992 and the newly democratized countries;

(5) encourage public-private business and leadership exchanges between Minnesota and foreign countries;

(6) identify potential sources of domestic financing for international partnership programs; and

(7) review and evaluate the need for a state grant or loan program to assist Minnesota companies by providing matching funds through the international partnership program.

State money in an international partnership fund must be matched on a dollar for dollar basis with money from participating foreign governments. An international partnership fund must contribute no more than 50 percent of total costs for each project. Applicants to an international partnership fund must demonstrate a nonpublic commitment of no less than 50 percent of eligible project costs.

Sec. 2. [PARTNERSHIP PROGRAM PROJECT.]

The commissioner may establish an international partnership project as part of the review procedure under section 1, clause (7).

The commissioner may solicit applications and proposals from Minnesota companies and nonprofit organizations for projects that will achieve the goals of the international partnership program. The grants may be used for planning or for participation in joint venture programs. Applications or proposals must:

(1) contain a detailed description of the project or activities that will be used to achieve the goals of the partnership program;

(2) identify the source of the matching funds as required by section 1;

(3) identify the participating country or countries and their financial or other contributions to the project;

(4) identify the expected outcomes from the project; and

(5) contain any other information the commissioner determines necessary to award grants.

The commissioner may establish priorities for applications. The commissioner may adopt rules as necessary for the administration of the grants under this section. The commissioner may establish an advisory committee to assist in carrying out the purposes of this section.

Sec. 3. [REPORT TO THE LEGISLATURE.]

The commissioner of trade and economic development shall report to the legislature by January 15, 1993, on the international partnership program including recommendations on improvements and the need for a grant or loan program to assist Minnesota companies in accessing international partnership programs."

Delete the title and insert:

"A bill for an act relating to economic development; establishing an international partnership program in the Minnesota trade office; authorizing a partnership program project; proposing coding for new law in Minnesota Statutes, chapter 116J."

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. 1657, A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [DEPARTMENT OF CORRECTIONS.]

Subdivision 1. The sums set forth in this section are appropriated from the general fund to the commissioner of corrections for payment to the persons named in this section in full and final payment of claims against the state. These appropriations are available until June 30, 1992.

Subd. 2. Ovis Adonay, at Minnesota correctional facility - Stillwater, for artists' supplies lost due to mishandling by prison staff.....\$25.00.

Subd. 3. Charles Croud, 3550 Penn Avenue North, Apartment #3, Minneapolis, MN 55422, for injury to his left index finger sustained while working at Minnesota correctional facility - Stillwater.....\$1,875.00.

Subd. 4. William Daher, 685 106th Lane Northwest, Apartment #3, Coon Rapids, MN 55433, for injury to the third finger on his left hand sustained while working at Minnesota correctional facility - Stillwater.....\$1,875.00.

Subd. 5. Daniel Goodbear, Minnesota correctional facility - Lino Lakes, for belongings lost due to mishandling by prison staff.....\$75.00.

Subd. 6. William Helenboldt, Minnesota correctional facility - Stillwater, for injury to his left hand sustained while working at Minnesota correctional facility - Stillwater, \$11,400.00.

Subd. 7. Carla Rae Horn, 1697 Ford Parkway, St. Paul, MN 55116, for damage to a television set due to mishandling by prison staff at Shakopee.....\$50.00.

Subd. 8. Perry Immerman, 236 Clifton Avenue, Minneapolis, MN 55403, for injuries sustained to his right thumb while working at Minnesota correctional facility - Lino Lakes.....\$1,125.00.

Subd. 9. Peter Jessen, c/o James Reichert, Attorney, 915 Grain Exchange Building, 400 South 4th Street, Minneapolis, MN 55415, for injury to his left thumb, index and middle fingers sustained while working at Minnesota correctional facility - Lino Lakes.....\$19,125.00.

Subd. 10. Louis Linskie, c/o John Kuukari, 211 West 2nd Street - 3rd Floor, Duluth, MN 55802, for injury to the second, third, and fourth fingers of his right hand sustained while working at Minnesota correctional facility - St. Cloud\$2,250.00.

Subd. 11. John Murphy, Minnesota correctional facility - Stillwater, for belongings lost due to mishandling by prison staff.....\$140.00.

Subd. 12. Darrell Olson, Minnesota correctional facility - St. Cloud, for injury to the fifth finger of his left hand sustained while working at Minnesota correctional facility - St. Cloud.....\$1,125.00.

Subd. 13. Michael Picht, 14100 North 78th Avenue, Peoria, AZ 85345, for injury to the fifth finger on his left hand sustained while working at Minnesota correctional facility - Willow River/Moose Lake.....\$562.50.

Subd. 14. For reimbursement to state or local agencies of amounts paid for medical services to individuals who were injured while performing community service work for correctional purposes under Minnesota Statutes, section 3.739:

(1) for claims under \$500.00 each.....\$2,465.28; and

(2) for medical services provided to Jon R. Soleta, for injuries sustained when he fell from a trailer at Talcot Park in Cottonwood county while loading drainfield sections as part of his community service requirement.....\$12,258.82.

Sec. 2. [DEPARTMENT OF PUBLIC SAFETY.]

Subdivision 1. The sums set forth in this section are appropriated from the trunk highway fund to the commissioner of public safety for payment to the persons named in this section in full and final payment for fines assessed due to erroneous weight limits posted on the Champlin bridge. The appropriation is available until June 30, 1992.

Subd. 2. Aqua City Irrigation, 5428 Nicollet Avenue, Minneapolis, MN 55419.....\$156.00.

Subd. 3. Frank Brody, 3805 Reservoir Boulevard, Minneapolis, MN 55421.....\$2,444.00.

Subd. 4. Bumgardners Asphalt Company, 396 Dayton Avenue, St. Paul, MN 55102.....\$876.00.

Subd. 5. Commercial Furniture Movers Inc., 4301 Highway 7, St. Louis Park, MN 55416.....\$1,532.00.

Subd. 6. Crosstown Sign Company, 10166 Central Avenue NE, Minneapolis, MN 55434.....\$460.00.

Subd. 7. Egan-McKay Electrical Contractors, Inc., 7100 Medicine Lake Road, Minneapolis, MN 55427.....\$642.00.

Subd. 8. Eagle Express Inc. and Mark Staley, 3980 South Kingan, Apartment 205, St. Francis, WI 53207.....\$300.00.

Subd. 9. Elk River Concrete Products, 7575 Golden Valley Road, Minneapolis, MN 55427.....\$3,429.00.

Subd. 10. Michael L. Fries, 215 West Raven Street, Belle Plaine, MN 56011.....\$748.00.

Subd. 11. Meyer Golden, 8117 North 28th Avenue, New Hope, MN 55427.....\$1,068.00.

Subd. 12. Green Field Trans. Co. Inc., P.O. Box 1235, Fort Dodge, IA 50501.....\$1,580.00.

Subd. 13. Layson Inc., P.O. Box 94045, Washington, MI 48094.....\$2,406.00.

Subd. 14. McDonough Truck Line, Inc., 3105 Industrial Drive, Faribault, MN 55021.....\$1,484.00.

Subd. 15. Moyer Trucking Corp., c/o North Star Transport, Inc., 837 Apollo Road, P.O. Box 21-307, St. Paul, MN 55121.....\$2,186.00.

Subd. 16. Muller Pribyl Util. Inc., 2402 Hwy. 55, Hamel, MN 55340.....\$60.00.

Subd. 17. Noble Nursery Inc., 10530 Troy Lane, Maple Grove, MN 55369.....\$828.00.

Subd. 18. Northern States Power Co., 414 Nicollet Mall, Minneapolis, MN 55401.....\$4,268.00.

Subd. 19. Overnite Express Inc., 501 16th Street, P.O. Box 250, Newport, MN 55055.....\$2,652.00.

Subd. 20. Phil Mark Excavating Inc., Route 1, Box 152, Clearwater, MN 55320.....\$2,716.00.

Subd. 21. Product Fabricators Inc., Industrial Park, North Branch, MN 55056.....\$940.00.

Subd. 22. Specialized Hauling Inc., P.O. Box 567, 1500 Omaha Street, Sioux City, IA 51102.....\$4,953.00.

Subd. 23. Structural Component Supply Company, 1029 North 4th, Cannon Falls, MN 55009.....\$780.00.

Subd. 24. Tropical Gardens 1, Inc., 1296 Kowalski Road, Mosinee, WI 54455.....\$556.00.

Subd. 25. Universal Am-Can, Ltd., P.O. Box 2007, Warren, MI 48090-9938.....\$1,500.00.

Sec. 3. [DEPARTMENT OF TRANSPORTATION.]

Subdivision 1. The department of transportation shall pay the actual costs of connecting the persons named in this section to city water, including frontage assessments, meter charges, connection fees, and hookup costs not to exceed the amounts specified. Acceptance by a claimant of the department's action under this section is a complete settlement of the claimant's claim for damages resulting from contamination of residential water.

Subd. 2. David Hoheisel, Route 2, Box 32, Little Falls, MN 56345.....\$5,000.00.

Subd. 3. Mark Ray Miedema, 204 14th St. SW, Little Falls, MN 56345.....\$7,000.00.

Subd. 4. Donald E. Opatz, Route 2, P.O. Box 342, Little Falls, MN 56345.....\$5,000.00.

Subd. 5. George and Marlys Winskowski, Route 2, Box 6, Little Falls, Minnesota 56345.....\$5,000.

Sec. 4. [DEPARTMENT OF NATURAL RESOURCES.]

Subdivision 1. The sum set forth in this section is appropriated from the general fund to the commissioner of natural resources for payment to the persons named in full and final payment of claims against the state. The appropriation is available until June 30, 1992.

Subd. 2. Douglas and Kathy Grossman, 32163 North Lakes Trail, Lindstrom, MN 55045, for damages incurred as a result of the

department of natural resources' failure to inform claimants about required permits.....\$7,500.00.

Sec. 5. [DEPARTMENT OF PUBLIC SAFETY; LEGAL DEFENSE COSTS.]

Subdivision 1. The sums set forth in this section are appropriated from the trunk highway fund to the commissioner of public safety for payment to the persons named in full and final payment of claims against the state. The appropriations are available until June 30, 1992.

Subd. 2. Philip H. Hodapp, 140 Meadow Lane, Mankato, MN 56001, for legal defense costs relating to possible criminal negligence charges resulting from a motor vehicle accident while performing duties for the state patrol.....\$3,500.00.

Subd. 3. Michael A. Theis, 1206 Barrette Street, Apartment #103, Crookston, MN 56716, for legal defense costs relating to possible criminal negligence charges resulting from a motor vehicle accident while performing duties for the state patrol.....\$2,567.61.

Sec. 6. [DEPARTMENT OF TRANSPORTATION.]

Subdivision 1. The sum set forth in this section is appropriated from the trunk highway fund to the commissioner of transportation for payment to the person named in full and final payment of claims against the state. The appropriation is available until June 30, 1992.

Subd. 2. Acton Township, Meeker County, c/o Don Slinden, Jr., R.R. 2, Box 248, Atwater, Minnesota, for chloride used as dust control on township roads that were used as an alternative to a state-established detour.....\$7,488.00.

Sec. 7. [DEPARTMENT OF VETERANS AFFAIRS.]

Subdivision 1. The sums set forth in this section are appropriated from the general fund to the commissioner of veterans affairs for payment to the persons named in full and final payment of claims against the state for adjusted compensation arising from World War II, the Korean conflict, and Vietnam service. The appropriations are available until June 30, 1992.

Subd. 2. [WORLD WAR II.] Lester H. Bock, 10469 Woodrow Road NE, Brainerd, MN 56401.....\$360.00.

Subd. 3. [WORLD WAR II-MERCHANT MARINE.] Harrison T. Alink, 803 6th Avenue SE, Austin, MN 55912.....\$60.00.

Archer L. Anderson, 5938 Sheridan Avenue South, Minneapolis, MN 55410.....\$195.00.

Douglas R. Anderson, 6505 21st Avenue South, Richfield, MN 55423.....\$240.00.

Orrie M. Anderson, Box 227, Adams, MN 55909.....\$60.00.

Raymond C. Anderson, 6825 West Broadway, Brooklyn Park, MN 55428.....\$390.00.

Edward J. Andryski, 3105 North Zenith Avenue, Robbinsdale, MN 55422.....\$30.00.

William D. Best, 2106 10th Place NE, Austin, MN 55912.....\$315.00.

Leonard F. Block, 304 10th Street NW, Austin, MN 55912.....\$270.00.

John M. Brommer, 10617 Queen Avenue South, Bloomington, MN 55431.....\$180.00.

Robert E. Clappier, 7149 Coachwood Road, Woodbury, MN 55125.....\$195.00.

Stanley W. Cox, 528 East 131st Street, Burnsville, MN 55337.....\$90.00.

Elmer B. Deick, 1207 6th Avenue Southwest, Austin, MN 55912.....\$225.00.

Delbert F. DeMars, 2663 16th Avenue East, North St. Paul, MN 55109.....\$75.00.

Ivan W. DeMars, 3890 Van Dyke Street, White Bear Lake, MN 55110.....\$285.00.

Oliver H. Dunn, 612 South Missouri Avenue, Belleville, IL 62220.....\$400.00.

Leonard S. Dzieweczynski, R.R. 1, Box 58, Swanville, MN 56382.....\$60.00.

Harold R. Freeberg, 2985 North Fairview, St. Paul, MN 55113.....\$300.00.

Thomas H. Gallagher, 4113 20th Avenue South, Minneapolis, MN 55407.....\$390.00.

Laurel L. Glessing, Highway 12 West, Cokato, MN 55321.....\$45.00.

Leonard G. Hensel, P.O. Box 276, Howard Lake, MN 55349.....\$60.00.

Harold R. Johnson, 1310 10th Avenue Northwest, Austin, MN 55912.....\$15.00.

Reuben E. Johnson, HCR 3, Box 195, Lutsen, MN 55604.....\$255.00.

William D. Liebelt, 1571 Wheelock Lane, Apartment #203, St. Paul, MN 55117.....\$150.00.

Kenneth L. Lockway, 332 Maria Avenue, St. Paul, MN 55106.....\$135.00.

Austin G. McCann, 537 St. Andrews Drive, Waite Park, MN 56387.....\$60.00.

Terrance R. McCullen, 13407 Wagner Drive, Bayonet Point, FL 34667.....\$240.00.

Alvin J. Metelak, 5442 North Central Avenue, Chicago, IL 60630.....\$45.00.

James E. Neuwirth, 4400 Southeast Naef Road, Apartment #F-24, Milwaukie, OR 97267.....\$285.00.

Earl L. Olson, P.O. Box 2069, Stillwater, MN 55082.....\$120.00.

Robert L. Pagel, 3954 Southview Drive, San Diego, CA 92117.....\$210.00.

Harold R. Quesenberry, 1130 Richards Avenue, Colorado Springs, CO 80906.....\$375.00.

F. Milo Reker, 1603 Okabena Street, Worthington, MN 56187.....\$75.00.

George W. Savage, 19450 Bauer Circle, Hastings, MN 55033.....\$240.00.

Earl A. Schwartz, 7374 Irvin Avenue South, Cottage Grove, MN 55016.....\$75.00.

Ellard L. Skuza, 5637 North East River Road, Sauk Rapids, MN 56379.....\$105.00.

Arnold J. Trombley, 321 3rd Street, Elk River, MN 55330.....\$370.00.

Warren E. Velenchenko, 9100 Portland Avenue South, Bloomington, MN 55420.....\$375.00.

Robert H. Vierkant, 4738 45th Street NE, Sauk Rapids, MN 56379.....\$120.00.

Arthur V. Wenner, 312 Dudrey Court, Moorhead, MN 56560.....\$255.00.

Jacob Westra, 714 14th Street Northeast, Austin, MN 55912.....\$45.00.

Subd. 4. [WORLD WAR II-BENEFICIARY.] Sidonia B. Baker, 407 SW 11th Avenue, Apartment #115, Forest Lake, MN 55025.....\$195.00.

Lois I. Bowers, 604 North 4th Street, Stillwater, MN 55082.....\$120.00.

Lucille T. Hansen, 899 Cleveland Avenue, Apartment #910, St. Paul, MN 55116.....\$165.00.

Subd. 5. [KOREAN.] Marilyn J. Amerson, 200 NE 1st Avenue, Apartment #1010A, Austin, MN 55912.....\$127.50.

Charles R. Herrmann, 28339 98-1/2 Street, Zimmerman, MN 55398.....\$97.50.

John A. Hodgin, 6408 Hampshire Avenue North, Minneapolis, MN 55428.....\$120.00.

Granville O. McGee, 4357 Oakland Avenue, Minneapolis, MN 55407.....\$37.50.

Durward C. Peterson, 716 Walsh Street, Crookston, MN 56716.....\$45.00.

Richard L. Radiske, P.O. Box 92, Whipholt, MN 56485.....\$90.00.

George W. Schuneman, Jr., 2222 Blaisdell Avenue South, Apartment #104, Minneapolis, MN 55404.....\$82.50.

Subd. 6. [VIETNAM.] Lloyd E. Arne, Route 2, Box 310, Holly Ridge, NC 28448.....\$600.00.

Perry J. Bakker, Route 2, Box 191, Shell Lake, WI 54871.....\$600.00.

Dana R. Berg, 1415 22nd Street, Apartment #604, Minneapolis, MN 55404.....\$225.00.

Scott H. Boland, Route 3, Box 511A, Mora, MN 55051.....\$600.00.

Lee W. Brown, 510 Folsom Street, Taylors Falls, MN 55084.....\$300.00.

Dennis A. Dandurand, 257 East Park Street, Granite Falls, MN 56241.....\$100.00.

Robert E. Demel, 516 Whitley Avenue, Joliet, IL 60433.....\$600.00.

Douglas D. Dopp, 7925 Quail Avenue North, Brooklyn Park, MN 55443.....\$285.00.

Edward T. Douglas, 5103 Minnehaha Avenue South, Apartment #8, Minneapolis, MN 55417.....\$225.00.

Thomas L. Everson, 210 Elm Avenue, Apartment #7, Montgomery, MN 56069.....\$100.00.

Gary W. Fish, 7464 Colfax Avenue North, Brooklyn Park, MN 55444.....\$570.00.

Manuel Franco, 292 East Robie Street, St. Paul, MN 55107.....\$100.00.

Gene R. Grindstaff, 8419 Oakland Avenue South, Bloomington, MN 55420.....\$600.00.

James D. Hanson, 13172 Hastings Street Northeast, Blaine, MN 55434.....\$435.00.

James B. Kelly, 4295 Liberty Road South, Salem, OR 97302.....\$100.00.

Larry H. Larson, 1063 1st Avenue South, St. James, MN 56081.....\$100.00.

Stephen J. Larson, 2937 Garfield Avenue South, Minneapolis, MN 55408.....\$165.00.

Daniel A. Lee, 516 Fowler Street, Faribault, MN 55021.....\$300.00.

Kirsten A. Malecha, 193 Strese Lane, Apple Valley, MN 55124.....\$300.00.

Norlan J. Malecha, 193 Strese Lane, Apple Valley, MN 55124.....\$300.00.

Theodore G. Mandeville, 3510 23rd Avenue South, Minneapolis, MN 55407.....\$100.00.

Daniel T. McCabe, 123 West 14th Street, Hastings, MN 55033.....\$100.00.

Michael L. McCarty, 5421 Ponds Drive North, Brooklyn Center, MN 55429.....\$100.00.

Timothy V. Milke, 7030 255th Street East, Faribault, MN 55021.....\$300.00.

Richard A. Patrick, 765 Rose, St. Paul, MN 55106.....\$300.00.

James E. Payne, 1171 Marion, St. Paul, MN 55117.....\$210.00.

Orlan N. Pederson, 381-1/2 Wabasha, Apartment #2, St. Paul, MN 55101.....\$300.00.

Dale O. Roman, Dom #2, VAMC, 4801 8th Street North, St. Cloud, MN 56303.....\$195.00.

Richard A. Rude, P.O. Box 39, Motley, MN 56466.....\$105.00.

Richard L. Schultz, 1512 St. Paul Road, Apartment #A-8, Owatonna, MN 55060.....\$600.00.

Thomas E. Schwietz, 425 West Ormsby, Apartment #307, Louisville, KY 40203.....\$600.00.

Alvin E. Seitz, 717 20th Street NW, Bemidji, MN 56601.....\$150.00.

John M. Spande, 2840 Highview Drive, Highway 13, Eagan, MN 55121.....\$195.00.

Frank J. Valentine, 2541 34th Avenue South, Minneapolis, MN 55406.....\$600.00.

Sec. 8. [EFFECTIVE DATE.]

This act is effective the day following final enactment.”

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 99, 118, 691, 694, 702, 860, 961, 1000, 1353 and 1657 were read for the second time.

SPECIAL ORDERS

S. F. No. 302 was reported to the House.

Janezich moved that S. F. No. 302 be continued on Special Orders. The motion prevailed.

Speaker pro tempore Rodosovich called Krueger to the Chair.

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

S. F. No. 1315 was reported to the House.

Brown and Gutknecht offered an amendment to S. F. No. 1315.

POINT OF ORDER

Olsen, S., raised a point of order pursuant to rule 3.10 that the Brown and Gutknecht amendment was not in order. Speaker pro tempore Krueger ruled the point of order not well taken and the amendment in order.

POINT OF ORDER

Olsen, S., raised a point of order pursuant to rule 3.09 that the Brown and Gutknecht amendment was not in order. Speaker pro tempore Krueger ruled the point of order well taken and the amendment out of order.

S. F. No. 1315, A bill for an act relating to commerce; real estate appraisers; amending Minnesota Statutes 1990, sections 82B.02, subdivisions 8 and 12; 82B.05, subdivision 1; 82B.11; 82B.13, subdivision 1, and by adding subdivisions; 82B.14; 82B.15, subdivi-

sion 3; 82B.17; 82B.18; and 82B.19, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 82B; repealing Minnesota Statutes 1990, sections 82B.05, subdivision 2; 82B.13, subdivision 2; and 82B.225.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kelso	Ogren	Seaberg
Anderson, I.	Garcia	Kinkel	Olsen, S.	Segal
Anderson, R. H.	Girard	Koppendrayner	Olson, E.	Simoneau
Battaglia	Goodno	Krinkie	Olson, K.	Skoglund
Bauerly	Greenfield	Krueger	Omann	Smith
Beard	Gruenes	Lasley	Onnen	Solberg
Begich	Gutknecht	Leppik	Orenstein	Stanius
Bertram	Hanson	Lieder	Orfield	Steensma
Bettermann	Hartle	Limmer	Osthoff	Sviggunm
Blatz	Haukoos	Long	Ostrom	Swenson
Bodahl	Hausman	Lourey	Ozment	Tompkins
Boo	Heir	Lynch	Pauly	Trimble
Carlson	Henry	Macklin	Pellow	Uphus
Carruthers	Hufnagle	Mariani	Pelowski	Valento
Clark	Hugoson	Marsh	Pugh	Vellenga
Cooper	Jacobs	McEachern	Reding	Wagenius
Dauner	Janezich	McGuire	Rest	Waltman
Davids	Jaros	Milbert	Rice	Weaver
Dawkins	Jefferson	Morrison	Rodosovich	Wejzman
Dempsey	Jennings	Munger	Rukavina	Welker
Dille	Johnson, A.	Murphy	Runbeck	Welle
Dorn	Johnson, R.	Nelson, K.	Sarna	Wenzel
Erhardt	Johnson, V.	Nelson, S.	Schafer	Winter
Farrell	Kahn	Newinski	Scheid	Spk. Vanasek
Frederick	Kalis	O'Connor	Schreiber	

Those who voted in the negative were:

Brown	Hasskamp	Peterson	Sparby
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The bill was passed and its title agreed to.

H. F. No. 1119, A bill for an act relating to education; requiring the development of policies for students with disabilities in post-secondary institutions; proposing coding for new law in Minnesota Statutes, chapter 135A.

The bill was read for the third time and placed upon its final passage.

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

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Olson, E.	Skoglund
Anderson, I.	Garcia	Koppendrayer	Olson, K.	Smith
Anderson, R. H.	Girard	Krinkie	Omann	Solberg
Battaglia	Goodno	Krueger	Onnen	Sparby
Bauerly	Greenfield	Lasley	Orenstein	Stanius
Beard	Gruenes	Leppik	Orfield	Steensma
Begich	Gutknecht	Lieder	Osthoff	Sviggrum
Bertram	Hanson	Limmer	Ostrom	Swenson
Bettermann	Hartle	Long	Ozment	Thompson
Bishop	Hasskamp	Lourey	Pauly	Tompkins
Blatz	Haukoos	Lynch	Pellow	Trimble
Bodahl	Hausman	Macklin	Pelowski	Tunheim
Boo	Heir	Mariani	Peterson	Uphus
Brown	Henry	Marsh	Pugh	Valento
Carlson	Hufnagle	McEachern	Reding	Vellenga
Carruthers	Hugoson	McGuire	Rest	Wagenius
Clark	Jacobs	McPherson	Rice	Waltman
Cooper	Janezich	Milbert	Rodosovich	Weaver
Dauner	Jaros	Morrison	Rukavina	Wejcman
Dauids	Jefferson	Munger	Runbeck	Welker
Dawkins	Jennings	Murphy	Sarna	Welle
Dempsey	Johnson, A.	Nelson, K.	Schafer	Wenzel
Dille	Johnson, R.	Nelson, S.	Scheid	Winter
Dorn	Johnson, V.	Newinski	Schreiber	Spk. Vanasek
Erhardt	Kahn	O'Connor	Seaberg	
Farrell	Kalis	Ogren	Segal	
Frederick	Kelso	Olsen, S.	Simoneau	

The bill was passed and its title agreed to.

H. F. No. 1189 was reported to the House.

Winter moved to amend H. F. No. 1189, the first engrossment, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 375.164, is amended to read:

375.164 [NONCOMMERCIAL BROADCAST FACILITIES AND TELEVISION TRANSLATOR STATIONS, CONSTRUCTION BY COUNTY.]

The county board may appropriate annually from the county general revenue fund an amount necessary to fund the construction, acquisition, improvement, operation, or maintenance of a translator station in the county or a noncommercial television broadcast facility to receive and transmit television broadcasting signals that can be received by residents of the county.”

A roll call was requested and properly seconded.

The question was taken on the Winter amendment and the roll was called. There were 97 yeas and 35 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Girard	Kinkel	Olson, K.	Solberg
Anderson, R. H.	Goodno	Koppendrayer	Omann	Sparby
Battaglia	Greenfield	Krinkie	Onnen	Stensma
Bauerly	Gruenes	Krueger	Orenstein	Swenson
Beard	Hanson	Lasley	Orfield	Thompson
Begich	Hartie	Leppik	Ostrom	Trimble
Bertram	Hasskamp	Lieder	Ozment	Tunheim
Bishop	Hausman	Long	Pelowski	Uphus
Bodahl	Heir	Lourey	Peterson	Vellenga
Boo	Jacobs	Mariani	Pugh	Wagenius
Brown	Janezich	McEachern	Reding	Waltman
Carlson	Jaros	McGuire	Rest	Wejzman
Carruthers	Jefferson	Milbert	Rice	Welker
Clark	Jennings	Munger	Rodosovich	Welle
Cooper	Johnson, A.	Murphy	Rukavina	Wenzel
Dauner	Johnson, R.	Nelson, K.	Sarna	Winter
Dawkins	Johnson, V.	Nelson, S.	Schafer	Spk. Vanasek
Dorn	Kahn	O'Connor	Segal	
Farrell	Kalis	Ogren	Simoneau	
Garcia	Kelso	Olson, E.	Skoglund	

Those who voted in the negative were:

Abrams	Frederick	Limmer	Olsen, S.	Seaberg
Bettermann	Frerichs	Lynch	Osthoff	Smith
Blatz	Gutknecht	Macklin	Pauly	Stanis
Davids	Haukoos	Marsh	Pellow	Sviggum
Dempsey	Henry	McPherson	Runbeck	Tompkins
Dille	Hufnagle	Morrison	Scheid	Valento
Erhardt	Hugoson	Newinski	Schreiber	Weaver

The motion prevailed and the amendment was adopted.

H. F. No. 1189, A bill for an act relating to counties; permitting counties to spend money for broadcast facilities; amending Minnesota Statutes 1990, section 375.164.

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 93 yeas and 39 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Bodahl	Dempsey	Greenfield	Jefferson
Anderson, R. H.	Boo	Dille	Gruenes	Johnson, A.
Battaglia	Brown	Dorn	Hanson	Johnson, R.
Bauerly	Carlson	Farrell	Hasskamp	Johnson, V.
Beard	Clark	Frederick	Hausman	Kahn
Begich	Cooper	Garcia	Jacobs	Kalis
Bertram	Dauner	Girard	Janezich	Kelso
Bishop	Dawkins	Goodno	Jaros	Kinkel

Koppendrayer	Milbert	Orenstein	Rukavina	Tunheim
Krueger	Morrison	Orfield	Sarna	Uphus
Lasley	Munger	Ostrom	Segal	Vellenga
Leppik	Murphy	Ozment	Simoneau	Wagenius
Lieder	Nelson, K.	Pelowski	Skoglund	Wejcman
Long	Nelson, S.	Peterson	Solberg	Welle
Lourey	O'Connor	Pugh	Sparby	Wenzel
Lynch	Ogren	Reding	Steensma	Winter
Mariani	Olson, E.	Rest	Swenson	Spk. Vanasek
McEachern	Olson, K.	Rice	Thompson	
McGuire	Omann	Rodosovich	Trimble	

Those who voted in the negative were:

Abrams	Hartle	Limmer	Pauly	Stanius
Bettermann	Haukoos	Macklin	Pellow	Sviggrum
Blatz	Heir	Marsh	Runbeck	Tompkins
Carruthers	Henry	McPherson	Schafer	Valento
Davids	Hufnagle	Newinski	Scheid	Waltman
Erhardt	Hugoson	Olsen, S.	Schreiber	Weaver
Frerichs	Jennings	Onnen	Seaberg	Welker
Gutknecht	Krinkie	Osthoff	Smith	

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

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

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

H. F. No. 1151, A bill for an act relating to the city of Saint Paul; exempting certain port authority activities from competitive bidding; amending Minnesota Statutes 1990, section 469.084, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Osthoff moved that the House concur in the Senate amendments to H. F. No. 1151 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1151, A bill for an act relating to local government; exempting certain St. Paul port authority activities from competitive bidding requirements; validating the sale of certain school building bonds; amending Minnesota Statutes 1990, section 469.084, 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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Olson, E.	Skoglund
Anderson, I.	Garcia	Koppendrayer	Olson, K.	Smith
Anderson, R. H.	Girard	Krinkie	Omann	Solberg
Battaglia	Goodno	Krueger	Onnen	Sparby
Bauerly	Greenfield	Lasley	Orenstein	Stanius
Beard	Gruenes	Leppik	Orfield	Steensma
Begich	Gutknecht	Lieder	Osthoff	Sviggum
Bertram	Hanson	Limmer	Ostrom	Swenson
Bettermann	Hartle	Long	Ozment	Thompson
Bishop	Hasskamp	Lourey	Pauly	Tompkins
Blatz	Haukoos	Lynch	Pellow	Trimble
Bodahl	Hausman	Macklin	Pelowski	Tunheim
Boo	Heir	Mariani	Peterson	Uphus
Brown	Henry	Marsh	Pugh	Valento
Carlson	Hufnagle	McEachern	Reding	Vellenga
Carruthers	Hugoson	McGuire	Rest	Wagenius
Clark	Jacobs	McPherson	Rice	Waltman
Cooper	Janezich	Milbert	Rodosovich	Weaver
Dauner	Jaros	Morrison	Rukavina	Wejcman
Davids	Jefferson	Munger	Runbeck	Welker
Dawkins	Jennings	Murphy	Sarna	Welle
Dempsey	Johnson, A.	Nelson, K.	Schafer	Wenzel
Dille	Johnson, R.	Nelson, S.	Scheid	Winter
Dorn	Johnson, V.	Newinski	Schreiber	Spk. Vanasek
Erhardt	Kahn	O'Connor	Seaberg	
Farrell	Kalis	Ogren	Segal	
Frederick	Kelso	Olsen, S.	Simoneau	

The bill was repassed, as amended by the Senate, 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

Kalis moved that his name be stricken as an author on H. F. No. 1. The motion prevailed.

Dawkins moved that the name of Hausman be added as an author on H. F. No. 1072. The motion prevailed.

Morrison moved that her name be stricken as an author on H. F. No. 1657. The motion prevailed.

Carruthers moved that the following statement be printed in the Permanent Journal of the House:

“It was my intention to vote in the affirmative on Thursday, May 2, 1991, on the second vote on the Johnson, R., et al amendment to S. F. No. 1533, as amended.” The motion prevailed.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 1:00 p.m., Thursday, May 9, 1991. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and Speaker pro tempore Krueger declared the House stands adjourned until 1:00 p.m., Thursday, May 9, 1991.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SEVENTH SESSION—1991

FIFTIETH DAY

SAINT PAUL, MINNESOTA, THURSDAY, MAY 9, 1991

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 Very Reverend John Khoury, St. George Antiochian Orthodox Church, West St. Paul, Minnesota.

The roll was called and the following members were present:

Abrams	Frederick	Kelso	Olsen, S.	Skoglund
Anderson, I.	Frerichs	Kinkel	Olson, E.	Smith
Anderson, R.	Garcia	Knickerbocker	Olson, K.	Solberg
Anderson, R. H.	Girard	Koppendrayer	Omann	Sparby
Battaglia	Goodno	Krinkie	Onnen	Stanius
Bauerly	Greenfield	Lasley	Orenstein	Steensma
Beard	Gruenes	Leppik	Orfield	Sviggum
Begich	Gutknecht	Lieder	Osthoff	Swenson
Bertram	Hanson	Limmer	Ostrom	Thompson
Bettermann	Hartle	Long	Ozment	Tompkins
Bishop	Hasskamp	Lourey	Pauly	Trimble
Blatz	Haukoos	Lynch	Pellow	Tunheim
Bodahl	Hausman	Macklin	Pelowski	Uphus
Boo	Heir	Mariani	Peterson	Valento
Brown	Henry	Marsh	Pugh	Vellenga
Carlson	Hufnagle	McEachern	Reding	Wagenius
Carruthers	Hugoson	McGuire	Rest	Waltman
Clark	Jacobs	McPherson	Rice	Weaver
Cooper	Janezich	Milbert	Rodosovich	Wejzman
Dauner	Jaros	Morrison	Rukavina	Welker
Davids	Jefferson	Munger	Runbeck	Welle
Dawkins	Jennings	Murphy	Sarna	Winter
Dempsey	Johnson, A.	Nelson, K.	Schafer	Spk. Vanasek
Dille	Johnson, R.	Nelson, S.	Scheid	
Dorn	Johnson, V.	Newinski	Schreiber	
Erhardt	Kahn	O'Connor	Seaberg	
Farrell	Kalis	Ogren	Segal	

A quorum was present.

Wenzel was excused until 1:30 p.m. Krueger was excused until 1:35 p.m. Simoneau was excused until 2:20 p.m.

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

S. F. No. 634 and H. F. No. 675, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Brown moved that the rules be so far suspended that S. F. No. 634 be substituted for H. F. No. 675 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 809 and H. F. No. 867, 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. 809 be substituted for H. F. No. 867 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 906 and H. F. No. 1044, 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. 906 be substituted for H. F. No. 1044 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1316 and H. F. No. 1392, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Osthoff moved that S. F. No. 1316 be substituted for H. F. No. 1392 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1411 and H. F. No. 1359, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Thompson moved that the rules be so far suspended that S. F. No. 1411 be substituted for H. F. No. 1359 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

May 6, 1991

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

Dear Representative Vanasek:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 614, relating to state finance; permitting investments in all federally insured savings accounts.

H. F. No. 324, relating to employment; regulating an employee's lien for wages.

H. F. No. 526, relating to corporations; clarifying and modifying provisions governing divisions and combinations of shares and rights of shareholders; clarifying meeting notice requirements; authorizing electronic communications by shareholders; modifying access to corporate records; clarifying and modifying provisions governing mergers and dissolutions.

H. F. No. 1105, relating to Ramsey county; providing for additional civil service certification of underrepresented groups.

H. F. No. 983, relating to Ramsey county; changing Ramsey county special laws to make them consistent with the county home rule charter.

H. F. No. 422, relating to cities; providing for distribution of public notices in cities of the fourth class in the metropolitan area.

H. F. No. 1418, relating to human services; Minnesota comprehensive health association; clarifying the calculation of contributing members' share of expenses; excluding medical assistance and general assistance medical care payments from the calculation.

H. F. No. 843, relating to waste; Western Lake Superior sanitary district; amending the definition of solid waste; changing the date for adoption of a budget.

H. F. No. 230, relating to education; authorizing the Elgin-Millville and Plainview school districts to combine according to the cooperation and combination program without a time period of cooperation; authorizing the districts to conduct the referendum on the combination and to issue bonds; providing a schedule for cooperation and combination revenue.

Warmest regards,

ARNE H. CARLSON
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 7, 1991

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

Dear Representative Vanasek:

I am writing to inform you that I have received and deposited in the Office of the Secretary of State the following House File:

H. F. No. 1017, relating to agriculture; regulating certain sales

and services offered by grocery stores; limiting applicability of certain licensing and regulatory provisions.

Warmest regards,

ARNE H. CARLSON
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 1991 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 1991</i>	<i>Date Filed 1991</i>
	614	47	11:08 a.m. May 6	May 6
	324	48	11:12 a.m. May 6	May 6
	526	49	3:29 p.m. May 6	May 6
	1105	50	3:26 p.m. May 6	May 6
	983	51	11:15 a.m. May 6	May 6
	1017	52		May 7
	422	53	11:28 a.m. May 6	May 6
	1418	54	2:27 p.m. May 6	May 6
	843	55	3:30 p.m. May 6	May 6
368		56	3:07 p.m. May 6	May 6
	230	57	2:30 p.m. May 6	May 6
286		59	3:34 p.m. May 6	May 6
550		60	3:18 p.m. May 6	May 6
732		61	3:33 p.m. May 6	May 6

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

SECOND READING OF SENATE BILLS

S. F. Nos. 634, 809, 906, 1316 and 1411 were read for the second time.

**INTRODUCTION AND FIRST READING
OF HOUSE BILLS**

The following House Files were introduced:

Smith introduced:

H. F. No. 1688, A bill for an act relating to commerce; real estate brokers; creating a lien for unpaid commissions and providing for its enforcement; proposing coding for new law in Minnesota Statutes, chapter 514.

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

Kahn, Greenfield, Reding, Boo and Swenson introduced:

H. F. No. 1689, A bill for an act relating to drivers' licenses; increasing driver's license suspension periods and restricting issuance of limited licenses to persons convicted of driving while under the influence of alcohol or a controlled substance to comply with federal standards; amending Minnesota Statutes 1990, sections 169.121, subdivision 4; 169.123, subdivisions 2 and 4; and 171.30, by adding a subdivision.

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

Orfield, Segal, Wejcman, Leppik and Orenstein introduced:

H. F. No. 1690, A bill for an act relating to health; codifying case law regarding abortion; 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.

Limmer, Heir, Newinski, Goodno and Fellow introduced:

H. F. No. 1691, A bill for an act relating to human services; authorizing a grant program to establish two pilot children's safety centers; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256F.

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

HOUSE ADVISORIES

The following House Advisories were introduced:

Segal; Kalis; Anderson, I., and Leppik introduced:

H. A. No. 27, A proposal to study inter-suburban transportation services.

The advisory was referred to the Committee on Transportation.

Bishop, Vellenga, Solberg, Blatz and Leppik introduced:

H. A. No. 28, A proposal to study the board of pardon's actions in pardoning sex offenders.

The advisory was referred to the Committee on Judiciary.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 36, A bill for an act relating to occupations and professions; changing requirements for reciprocal licensing of physicians from other states and foreign medical school graduates; authorizing physicians to cancel licenses in good standing; requiring the cancellation of physicians' licenses for nonrenewal; changing licensing requirements for midwifery; changing the name of the board of medical examiners; amending Minnesota Statutes 1990, sections 147.03; 147.037, subdivision 1; and 148.31; proposing coding for new law in Minnesota Statutes, chapter 147.

H. F. No. 456, A bill for an act relating to adoption; clarifying the requirements for consents; amending Minnesota Statutes 1990, section 259.24, subdivision 5. 309.501, subdivision 1.

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. 90, A bill for an act relating to health; requiring geographic representation on the board of medical examiners; amending Minnesota Statutes 1990, section 147.01, subdivision 1.

H. F. No. 192, A bill for an act relating to the Duluth transit authority; providing for the transportation of students; repealing Laws 1988, chapter 573, section 2.

H. F. No. 239, A bill for an act relating to crime; clarifying the application of felony penalties to the act of intentionally disarming a peace officer; amending Minnesota Statutes 1990, section 609.50, subdivision 2.

H. F. No. 671, A bill for an act relating to human services; child care providers; allowing an extension for installing interior vertical access in child care facilities in churches; amending Minnesota Statutes 1990, section 16B.61, subdivision 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 178, A bill for an act relating to occupations and professions; increasing minimum insurance coverage required for abstracters; abolishing requirement of seals by impression; repealing an obsolete provision; amending Minnesota Statutes 1990, sections 386.66 and 386.67; repealing Minnesota Statutes 1990, section 386.65, subdivision 3.

H. F. No. 276, A bill for an act relating to insurance; accident and health; prohibiting the nondiagnostic use of X-rays; proposing coding for new law in Minnesota Statutes, chapter 62A.

H. F. No. 357, A bill for an act relating to highways; authorizing political subdivisions to require notice before constructing or repairing utility structures or equipment in, along, over, or under a road,

street, or highway right-of-way; requiring subsequent restoration to a town road; amending Minnesota Statutes 1990, sections 164.36; and 222.37, subdivision 1.

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. 1422, A bill for an act relating to workers' compensation; regulating benefits and insurance; establishing a permanent commission on workers' compensation; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 79.252, by adding a subdivision; 176.011, subdivisions 3, 11a, and 18; 176.101, subdivisions 1, 2, and 3f; 176.102, subdivisions 1, 2, 3, 3a, 4, 6, 9, and 11; 176.111, subdivision 18; 176.135, subdivisions 1, 6, and 7; 176.136, subdivisions 1, 2, and by adding subdivisions; 176.155, subdivision 1; 176.645, subdivisions 1 and 2; 176.83, subdivisions 5, 6, and by adding a subdivision; 176A.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 175 and 176; repealing Minnesota Statutes 1990, sections 175.007; and 176.136, subdivision 5; and chapters 79, 175A, and 176.

The Senate has appointed as such committee:

Messrs. Chmielewski, Finn, Halberg and Riveness and Ms. Flynn.

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 Concurrent Resolution:

House Concurrent Resolution No. 1, A house concurrent resolution relating to congressional redistricting; establishing standards for redistricting plans.

The Senate has appointed as such committee:

Messrs. Pogemiller, Luther and Storm.

Said House Concurrent Resolution 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 Concurrent Resolution:

House Concurrent Resolution No. 2, A house concurrent resolution relating to legislative redistricting; establishing standards for redistricting plans.

The Senate has appointed as such committee:

Messrs. Pogemiller, Luther and Storm.

Said House Concurrent Resolution 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. 800, A bill for an act relating to natural resources; revising certain provisions relating to the taking, possession, and transportation of wild animals; amending Minnesota Statutes 1990, sections 97A.445, subdivision 2; 97A.535, subdivision 1; 97B.055, subdivision 3; 97B.106; and 97B.935, subdivision 3.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Price, Merriam and Lessard.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Stanisus 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. 800. 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. 1042, A bill for an act relating to economic development; changing the organization of the department of trade and economic development; amending Minnesota Statutes 1990, section 116J.01, subdivision 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

Winter moved that the House refuse to concur in the Senate amendments to H. F. No. 1042, 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. 1006, A bill for an act relating to state lands; transferring state land to the city of Moose Lake.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Lourey moved that the House concur in the Senate amendments to H. F. No. 1006 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1006, A bill for an act relating to state lands; transferring state land to the city of Moose Lake.

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	Frederick	Kalis	O'Connor	Schreiber
Anderson, R.	Frerichs	Kelso	Ogren	Seaberg
Anderson, R. H.	Garcia	Kinkel	Olsen, S.	Segal
Battaglia	Girard	Knickerbocker	Olson, E.	Skoglund
Bauerly	Goodno	Koppendrayer	Olson, K.	Smith
Beard	Greenfield	Krinkie	Omann	Solberg
Begich	Gruenes	Lasley	Onnen	Sparby
Bertram	Gutknecht	Leppik	Orenstein	Stanius
Bettermann	Hanson	Lieder	Orfield	Steenasma
Bishop	Hartle	Limmer	Osthoff	Sviggum
Blatz	Hasskamp	Long	Ostrom	Swenson
Bodahl	Haukoos	Lourey	Ozment	Thompson
Boo	Hausman	Lynch	Pauly	Tompkins
Brown	Heir	Macklin	Pellow	Trimble
Carlson	Henry	Mariani	Pelowski	Tunheim
Carruthers	Hufnagle	Marsh	Peterson	Uphus
Clark	Hugoson	McEachern	Pugh	Valento
Cooper	Jacobs	McGuire	Reding	Vellenga
Dauner	Janezich	McPherson	Rest	Wagenius
Davids	Jaros	Milbert	Rice	Waltman
Dawkins	Jefferson	Morrison	Rodosovich	Weaver
Dempsey	Jennings	Munger	Rukavina	Wejzman
Dille	Johnson, A.	Murphy	Runbeck	Welker
Dorn	Johnson, R.	Nelson, K.	Sarna	Welle
Erhardt	Johnson, V.	Nelson, S.	Schafer	Winter
Farrell	Kahn	Newinski	Scheid	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. 87, A bill for an act relating to highways; allowing county board of and appropriate town boards in Itasca county to establish and record certain public roads less than four rods in width until December 31, 1995.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Solberg moved that the House concur in the Senate amendments to H. F. No. 87 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 87, A bill for an act relating to highways; allowing county board of and appropriate town boards in Itasca county to establish and record certain public roads less than four rods in width until December 31, 1995.

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	Farrell	Kahn	Newinski	Scheid
Anderson, I.	Frederick	Kalis	O'Connor	Schreiber
Anderson, R.	Frerichs	Kelso	Ogren	Seaberg
Anderson, R. H.	Garcia	Kinkel	Olsen, S.	Skoglund
Battaglia	Girard	Knickerbocker	Olson, E.	Smith
Bauerly	Goodno	Koppendrayer	Olson, K.	Solberg
Beard	Greenfield	Krinkie	Omann	Sparby
Begich	Gruenes	Lasley	Onnen	Stanius
Bertram	Gutknecht	Leppik	Orenstein	Steensma
Bettermann	Hanson	Lieder	Orfield	Sviggum
Bishop	Hartle	Limmer	Osthoff	Swenson
Blatz	Hasskamp	Long	Ostrom	Thompson
Bodahl	Haukoos	Lourey	Ozment	Tompkins
Boo	Hausman	Lynch	Pauly	Trimble
Brown	Heir	Macklin	Pellow	Tunheim
Carlson	Henry	Mariani	Pelowski	Uphus
Carruthers	Hufnagle	Marsh	Peterson	Valento
Clark	Hugoson	McEachern	Pugh	Vellenga
Cooper	Jacobs	McGuire	Reding	Wagenius
Dauner	Janezich	McPherson	Rest	Waltman
Davids	Jaros	Milbert	Rice	Weaver
Dawkins	Jefferson	Morrison	Rodosovich	Wejzman
Dempsey	Jennings	Munger	Rukavina	Welker
Dille	Johnson, A.	Murphy	Runbeck	Welle
Dorn	Johnson, R.	Nelson, K.	Sarna	Winter
Erhardt	Johnson, V.	Nelson, S.	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. 466, A bill for an act relating to traffic regulations; defining "wrecker" to include new variations of tower vehicles; requiring the use of amber lights on wreckers after January 1, 1992; allowing use of red lights on vehicles of certain emergency response personnel; exempting wreckers from weight requirements under certain circumstances; amending Minnesota Statutes 1990, sections 169.01, subdivision 52; 169.58, subdivision 2; 169.64, subdivision 5; and 169.825, by adding a subdivision.

PATRICK E. FLAHAVERN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Bauerly moved that the House concur in the Senate amendments to H. F. No. 466 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 466, A bill for an act relating to traffic regulations; defining "tow truck or towing vehicle" to include new variations of tower vehicles; requiring the use of amber lights on tow trucks or towing vehicles after January 1, 1992; allowing use of red lights on vehicles of certain emergency response personnel; exempting tow trucks or towing vehicles from weight requirements under certain *circumstances*; amending Minnesota Statutes 1990, sections 169.01, subdivision 52; 169.58, subdivision 2; 169.64, subdivision 5; and 169.825, 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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Olsen, S.	Skoglund
Anderson, I.	Frerichs	Kinkel	Olson, E.	Smith
Anderson, R.	Garcia	Knickerbocker	Olson, K.	Solberg
Anderson, R. H.	Girard	Koppendrayner	Omann	Sparby
Battaglia	Goodno	Krinkie	Onnen	Stanius
Bauerly	Greenfield	Lasley	Orenstein	Steensma
Beard	Gruenes	Leppik	Orfield	Svigum
Begich	Gutknecht	Lieder	Osthoff	Swenson
Bertram	Hanson	Limmer	Ostrom	Thompson
Bettermann	Hartle	Long	Ozment	Tompkins
Bishop	Hasskamp	Lourey	Pauly	Trimble
Blatz	Haukoos	Lynch	Pellow	Tunheim
Bodahl	Hausman	Macklin	Pelowski	Uphus
Boo	Heir	Mariani	Peterson	Valento
Brown	Henry	Marsh	Pugh	Vellenga
Carlson	Hufnagle	McEachern	Reding	Wagenius
Carruthers	Hugoson	McGuire	Rest	Waltman
Clark	Jacobs	McPherson	Rice	Weaver
Cooper	Janezich	Milbert	Rodosovich	Wejzman
Dauner	Jaros	Morrison	Rukavina	Welker
Davids	Jefferson	Munger	Runbeck	Welle
Dawkins	Jennings	Murphy	Sarna	Winter
Dempsey	Johnson, A.	Nelson, K.	Schafer	Spk. Vanasek
Dille	Johnson, R.	Nelson, S.	Scheid	
Dorn	Johnson, V.	Newinski	Schreiber	
Erhardt	Kahn	O'Connor	Seaberg	
Farrell	Kalis	Ogren	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. 146, A bill for an act relating to commerce; regulating real estate closings; prohibiting persons from requiring the use of particular closing agents; requiring the commissioner to adopt rules; amending Minnesota Statutes 1990, section 507.45, subdivision 4.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

O'Connor moved that the House concur in the Senate amendments to H. F. No. 146 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 146, A bill for an act relating to commerce; regulating real estate closings; prohibiting persons from requiring the use of particular closing agents; authorizing the commissioner to adopt rules; amending Minnesota Statutes 1990, section 507.45, 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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Hufnagle	Long	Omann
Anderson, I.	Dempsey	Hugoson	Lourey	Onnen
Anderson, R.	Dille	Jacobs	Lynch	Orenstein
Anderson, R. H.	Dorn	Janezich	Macklin	Orfield
Battaglia	Erhardt	Jaros	Mariani	Osthoff
Bauerly	Farrell	Jefferson	Marsh	Ostrom
Beard	Frederick	Jennings	McEachern	Ozment
Begich	Frerichs	Johnson, A.	McGuire	Pauly
Bertram	Garcia	Johnson, R.	McPherson	Pellow
Bettermann	Girard	Johnson, V.	Milbert	Pelowski
Bishop	Goodno	Kahn	Morrison	Peterson
Blatz	Greenfield	Kalis	Munger	Pugh
Bodahl	Gruenes	Kelso	Murphy	Reding
Boo	Gutknecht	Kinkel	Nelson, K.	Rest
Brown	Hanson	Knickerbocker	Nelson, S.	Rice
Carlson	Hartle	Koppendraye	Newinski	Rodosovich
Carruthers	Hasskamp	Krinkie	O'Connor	Rukavina
Clark	Haukoos	Lasley	Ogren	Runbeck
Cooper	Hausman	Leppik	Olsen, S.	Sarna
Dauner	Heir	Lieder	Olson, E.	Schafer
Davids	Henry	Limmer	Olson, K.	Scheid

Schreiber	Sparby	Tompkins	Wagenius	Winter
Seaberg	Stanius	Trimble	Waltman	Spk. Vanasek
Segal	Steensma	Tunheim	Weaver	
Skoglund	Sviggum	Uphus	Wejzman	
Smith	Swenson	Valento	Welker	
Solberg	Thompson	Vellenga	Welle	

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

Mr. Speaker:

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

H. F. No. 121, A bill for an act relating to education; encouraging a Minnesota international volunteer corps; amending Minnesota Statutes 1990, section 16B.88, by adding a subdivision.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Jaros moved that the House concur in the Senate amendments to H. F. No. 121 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 121, A bill for an act relating to education; encouraging a Minnesota international volunteer corps; amending Minnesota Statutes 1990, section 16B.88, 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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Brown	Frerichs	Hufnagle	Knickerbocker
Anderson, I.	Carlson	Garcia	Hugoson	Koppendrayner
Anderson, R.	Carruthers	Girard	Jacobs	Krinkie
Anderson, R. H.	Clark	Goodno	Janezich	Lasley
Battaglia	Cooper	Greenfield	Jaros	Leppik
Bauerly	Dauner	Gruenes	Jefferson	Lieder
Beard	Davids	Gutknecht	Jennings	Limmer
Begich	Dawkins	Hanson	Johnson, A.	Long
Bertram	Dempsey	Hartle	Johnson, R.	Lourey
Bettermann	Dille	Hasskamp	Johnson, V.	Lynch
Bishop	Dorn	Haukoos	Kahn	Macklin
Blatz	Erhardt	Hausman	Kalis	Mariani
Bodahl	Farrell	Heir	Kelso	Marsh
Boo	Frederick	Henry	Kinkel	McEachern

McGuire	Olson, K.	Reding	Smith	Vellenga
McPherson	Omann	Rest	Solberg	Wagenius
Milbert	Onnen	Rice	Sparby	Waltman
Morrison	Orenstein	Rodosovich	Stanius	Weaver
Munger	Orfield	Rukavina	Steenma	Wejcman
Murphy	Osthoff	Runbeck	Sviggum	Welker
Nelson, K.	Ostrom	Sarna	Swenson	Welle
Nelson, S.	Ozment	Schafer	Thompson	Winter
Newinski	Pauly	Scheid	Tompkins	Spk. Vanasek
O'Connor	Pellow	Schreiber	Trimble	
Ogren	Pelowski	Seaberg	Tunheim	
Olsen, S.	Peterson	Segal	Uphus	
Olson, E.	Pugh	Skoglund	Valento	

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. 525, A bill for an act relating to insurance; regulating claim denial; requiring chemical dependency claim reviewers to meet certain qualifications; requiring insurers to file an annual report on evaluations with the commissioner of commerce; amending Minnesota Statutes 1990, section 72A.201, subdivision 8.

PATRICK E. FLAHAVERN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Kalis moved that the House concur in the Senate amendments to H. F. No. 525 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 525, A bill for an act relating to insurance; regulating claim denial; requiring chemical dependency claim reviewers to meet certain qualifications; requiring insurers to file an annual report on evaluations with the commissioner of commerce; amending Minnesota Statutes 1990, section 72A.201, subdivision 8, 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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Olsen, S.	Skoglund
Anderson, I.	Frerichs	Kinkel	Olsen, E.	Smith
Anderson, R.	Garcia	Knickerbocker	Olsen, K.	Solberg
Anderson, R. H.	Girard	Koppendrayer	Omann	Sparby
Battaglia	Goodno	Krinkie	Onnen	Stanius
Bauerly	Greenfield	Lasley	Orenstein	Steensma
Beard	Gruenes	Leppik	Orfield	Sviggum
Begich	Gutknecht	Lieder	Osthoff	Swenson
Bertram	Hanson	Limmer	Ostrom	Thompson
Bettermann	Hartle	Long	Ozment	Tompkins
Bishop	Hasskamp	Lourey	Pauly	Trimble
Blatz	Haukoos	Lynch	Pellow	Tunheim
Bodahl	Hausman	Macklin	Pelowski	Uphus
Boo	Heir	Mariani	Peterson	Valento
Brown	Henry	Marsh	Pugh	Vellenga
Carlson	Hufnagle	McEachern	Reding	Wagenius
Carruthers	Hugoson	McGuire	Rest	Waltman
Clark	Jacobs	McPherson	Rice	Weaver
Cooper	Janezich	Milbert	Rodosovich	Wejzman
Dauner	Jaros	Morrison	Rukavina	Welker
Davids	Jefferson	Munger	Runbeck	Welle
Dawkins	Jennings	Murphy	Sarna	Winter
Dempsey	Johnson, A.	Nelson, K.	Schafer	Spk. Vanasek
Dille	Johnson, R.	Nelson, S.	Scheid	
Dorn	Johnson, V.	Newinski	Schreiber	
Erhardt	Kahn	O'Connor	Seaberg	
Farrell	Kalis	Ogren	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. 621, 782, 1091, 269, 520, 525, 753 and 156.

PATRICK E. FLAHAVERN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 621, A bill for an act relating to the environment; clarifying and correcting provisions relating to the legislative commission on Minnesota resources and the Minnesota environmental and natural resources trust fund; amending Minnesota Statutes 1990, sections 116P.04, subdivision 5; 116P.05; 116P.06; 116P.07; 116P.08, subdivisions 3 and 4; 116P.09, subdivisions 2, 4, and 7.

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

S. F. No. 782, A bill for an act relating to jobs and training; requiring the commissioner of jobs and training to contract for the provision of comprehensive adjustment-to-blindness training ser-

vices; amending Minnesota Statutes 1990, section 248.07, by adding a subdivision.

The bill was read for the first time.

Greenfield moved that S. F. No. 782 and H. F. No. 1055, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1091, A bill for an act relating to waste; extending the date for incinerator ash to be considered special waste; amending Minnesota Statutes 1990, section 115A.97, subdivision 4.

The bill was read for the first time.

Hanson moved that S. F. No. 1091 and H. F. No. 1176, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 269, A bill for an act relating to liquor; requiring posting of certain signs in licensed premises; amending Minnesota Statutes 1990, section 340A.410, by adding a subdivision.

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

S. F. No. 520, A bill for an act relating to legal services; requesting the supreme court to study the feasibility of adopting rules governing the delivery of legal services by specialized legal assistants; amending Minnesota Statutes 1990, section 481.02, subdivision 3.

The bill was read for the first time.

Dawkins moved that S. F. No. 520 and H. F. No. 1295, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 525, A bill for an act relating to crimes; expanding the definition of drug free zones to include public housing property; increasing the area affected from within 300 feet to within 1,000 feet of a school or park boundary for purposes of increasing penalties for sale or possession of controlled substances; increasing penalties for sale or possession of methamphetamine ("ice"), amphetamine, and sale of marijuana, within a school zone, park zone, or public housing zone; changing the name and duties of the drug abuse prevention resource council; requiring chemical use assessments of persons convicted of felonies; amending Minnesota Statutes 1990, sections

152.01, subdivisions 12a, 14a, and by adding a subdivision; 152.021, subdivision 1; 152.022, subdivision 1; 152.023, subdivision 2; 152.024, subdivision 1; 152.029; 299A.29, subdivisions 3, 5, and by adding subdivisions; 299A.30; 299A.31, subdivision 1; 299A.32; 299A.34, subdivision 2; 299A.35; 299A.36; and 609.115, by adding a subdivision; repealing Minnesota Statutes 1990, sections 244.095; and 299A.29, subdivisions 2 and 4.

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

S. F. No. 753, A bill for an act relating to traffic safety; permitting evidence of DWI convictions to be admitted as evidence in certain civil proceedings; amending Minnesota Statutes 1990, sections 169.121, subdivision 6, and by adding a subdivision; and 169.94.

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

S. F. No. 156, A bill for an act relating to the public defender; providing for appointment of a chief administrator by the state public defender; changing the composition of the ad hoc board of the state board of public defense that appoints chief district public defenders; requiring affirmative action in appointing members of the state board of public defense and chief district public defenders; limiting the number of members of the state board of public defense from certain judicial districts; providing for supervision of the state public defender system by the state public defender; describing the duties of the state board of public defense, the state public defender, and chief district public defenders; transferring positions from the state board of public defense to the office of the state public defender; amending Minnesota Statutes 1990, sections 611.215, subdivisions 1, 1a, and 2; 611.23; 611.24; 611.25, by adding a subdivision; 611.26, subdivisions 2, 3, 4, 7, and by adding a subdivision; repealing Minnesota Statutes 1990, sections 383B.63, subdivision 1; 611.215, subdivision 4; 611.26, subdivision 1; 611.261; and Laws 1989, chapter 335, article 3, section 38.

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

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Simoneau requested immediate consideration of H. F. Nos. 99, 118, 691, 694, 702, 860, 961, 1000, 1353 and 1657.

H. F. No. 99, A bill for an act relating to transportation; designating trunk highway No. 61 and the Lake City rest area as disabled American veterans highway and rest area; authorizing special license plates for certain military personnel; amending Minnesota Statutes 1990, sections 161.14, by adding a subdivision; 168.12, subdivision 2c, and by adding a subdivision; and 168.123, subdivision 2.

The bill was read for the third time and placed upon its final passage.

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

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Olsen, S.	Skoglund
Anderson, I.	Frerichs	Kinkel	Olson, E.	Smith
Anderson, R.	Garcia	Knickerbocker	Olson, K.	Solberg
Anderson, R. H.	Girard	Koppendrayer	Omann	Sparby
Battaglia	Goodno	Krinkie	Onnen	Stanis
Bauerly	Greenfield	Lasley	Orenstein	Steensma
Beard	Gruenes	Leppik	Orfield	Sviggum
Begich	Gutknecht	Lieder	Osthoff	Swenson
Bertram	Hanson	Limmer	Ostrom	Thompson
Bettermann	Hartle	Long	Ozment	Tompkins
Bishop	Hasskamp	Lourey	Pauly	Trimble
Blatz	Haukoos	Lynch	Pellow	Tunheim
Bodahl	Hausman	Macklin	Pelowski	Uphus
Boo	Heir	Mariani	Peterson	Valento
Brown	Henry	Marsh	Pugh	Vellenga
Carlson	Hufnagle	McEachern	Reding	Wagenius
Carruthers	Hugoson	McGuire	Rest	Waltman
Clark	Jacobs	McPherson	Rice	Weaver
Cooper	Janezich	Milbert	Rodosovich	Wejeman
Dauner	Jaros	Morrison	Rukavina	Welker
Dauids	Jefferson	Munger	Runbeck	Welle
Dawkins	Jennings	Murphy	Sarna	Wenzel
Dempsey	Johnson, A.	Nelson, K.	Schafer	Winter
Dille	Johnson, R.	Nelson, S.	Scheid	Spk. Vanasek
Dorn	Johnson, V.	Newinski	Schreiber	
Erhardt	Kahn	O'Connor	Seaberg	
Farrell	Kalis	Ogren	Segal	

The bill was passed and its title agreed to.

H. F. No. 118, A bill for an act relating to occupational safety and health; honoring workers fatally injured while working on public projects; proposing coding for new law in Minnesota Statutes, chapter 182.

The bill was read for the third 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	Frederick	Kelso	Olsen, S.	Skoglund
Anderson, I.	Frerichs	Kinkel	Olson, E.	Smith
Anderson, R.	Garcia	Knickerbocker	Olson, K.	Solberg
Anderson, R. H.	Girard	Koppendrayner	Omann	Sparby
Battaglia	Goodno	Krinkie	Onnen	Stanius
Bauerly	Greenfield	Lasley	Orenstein	Steensma
Beard	Gruenes	Leppik	Orfield	Sviggun
Begich	Gutknecht	Lieder	Osthoff	Swenson
Bertram	Hanson	Limmer	Ostrom	Thompson
Bettermann	Hartle	Long	Ozment	Tompkins
Bishop	Hasskamp	Lourey	Pauly	Trimble
Blatz	Haukoos	Lynch	Pellow	Tunheim
Bodahl	Hausman	Macklin	Pelowski	Uphus
Boo	Heir	Mariani	Peterson	Valento
Brown	Henry	Marsh	Pugh	Vellenga
Carlson	Hufnagle	McEachern	Reding	Wagenius
Carruthers	Hugoson	McGuire	Rest	Waltman
Clark	Jacobs	McPherson	Rice	Weaver
Cooper	Janezich	Milbert	Rodosovich	Wejzman
Dauner	Jaros	Morrison	Rukavina	Welker
Dauids	Jefferson	Munger	Runbeck	Welle
Dawkins	Jennings	Murphy	Sarna	Wenzel
Dempsey	Johnson, A.	Nelson, K.	Schafer	Winter
Dille	Johnson, R.	Nelson, S.	Scheid	Spk. Vanasek
Dorn	Johnson, V.	Newinski	Schreiber	
Erhardt	Kahn	O'Connor	Seaberg	
Farrell	Kalis	Ogren	Segal	

The bill was passed and its title agreed to.

The Speaker called Bauerly to the Chair.

H. F. No. 691, A bill for an act relating to health; increasing funding for the nutritional supplement program known as WIC to expand services; appropriating money.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Bodahl	Dille	Gutknecht	Janezich
Anderson, I.	Boo	Dorn	Hanson	Jaros
Anderson, R.	Brown	Erhardt	Hartle	Jefferson
Anderson, R. H.	Carlson	Farrell	Hasskamp	Jennings
Battaglia	Carruthers	Frederick	Haukoos	Johnson, A.
Bauerly	Clark	Frerichs	Hausman	Johnson, R.
Beard	Cooper	Garcia	Heir	Johnson, V.
Begich	Dauner	Girard	Henry	Kahn
Bertram	Dauids	Goodno	Hufnagle	Kalis
Bettermann	Dawkins	Greenfield	Hugoson	Kinkel
Blatz	Dempsey	Gruenes	Jacobs	Knickerbocker

Koppendrayer	McPherson	Orenstein	Runbeck	Thompson
Krinkie	Milbert	Orfield	Sarna	Tompkins
Krueger	Morrison	Osthoff	Schafer	Trimble
Lasley	Munger	Ostrom	Scheidt	Tunheim
Leppik	Murphy	Ozment	Schreiber	Uphus
Lieder	Nelson, K.	Pauly	Seaberg	Valento
Limmer	Nelson, S.	Pellow	Segal	Vellenga
Long	Newinski	Pelowski	Skoglund	Wagenius
Lourey	O'Connor	Peterson	Smith	Waltman
Lynch	Ogren	Pugh	Solberg	Weaver
Macklin	Olsen, S.	Reding	Sparby	Wejcman
Mariani	Olson, E.	Rest	Stanius	Welker
Marsh	Olson, K.	Rice	Steensma	Wenzel
McEachern	Omann	Rodosovich	Sviggum	Winter
McGuire	Onnen	Rukavina	Swenson	Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 694, A bill for an act relating to the environment; establishing an environmental enforcement account; establishing a field citation pilot project for unauthorized disposal of solid waste; authorizing background investigations of environmental permit applicants; expanding current authority to impose administrative penalties for air and water pollution and solid waste management violations; imposing criminal penalties for knowing violations of standards related to hazardous air pollutants and toxic pollutants in water; providing that certain property is subject to forfeiture in connection with convictions for water pollution and air pollution violations; imposing criminal penalties for unauthorized disposal of solid waste; authorizing prosecution of environmental crimes by the attorney general; providing for environmental restitution as part of a sentence; increasing criminal penalties for false statements on documents related to permits and record keeping; requiring reports; appropriating money; amending Minnesota Statutes 1990, sections 18D.331, subdivision 4; 115.071, by adding a subdivision; 115.072; 115C.05; 116.07, subdivision 4d; 116.072, subdivisions 1, 2, 6, 10, and 11; 609.531, subdivision 1; and 609.671; proposing coding for new law in Minnesota Statutes, chapters 115 and 116.

The bill was read for the third 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	Bertram	Clark	Erhardt	Gruenes
Anderson, I.	Bettermann	Cooper	Farrell	Gutknecht
Anderson, R.	Blatz	Dauner	Frederick	Hanson
Anderson, R. H.	Bodahl	Dauids	Frerichs	Hartle
Battaglia	Boo	Dawkins	Garcia	Hasskamp
Bauerly	Brown	Dempsey	Girard	Haukoos
Beard	Carlson	Dille	Goodno	Hausman
Begich	Carruthers	Dorn	Greenfield	Heir

Henry	Lasley	Newinski	Rest	Thompson
Hufnagle	Leppik	O'Connor	Rice	Tompkins
Hugoson	Lieder	Ogren	Rodosovich	Trimble
Jacobs	Limmer	Olsen, S.	Rukavina	Tunheim
Janezich	Long	Olson, E.	Runbeck	Uphus
Jaros	Lourey	Olson, K.	Sarna	Valento
Jefferson	Lynch	Omman	Schafer	Vellenga
Jennings	Macklin	Omnen	Scheid	Wagenius
Johnson, A.	Mariani	Orenstein	Schreiber	Waltman
Johnson, R.	Marsh	Orfield	Seaberg	Weaver
Johnson, V.	McEachern	Osthoff	Segal	Wojcman
Kahn	McGuire	Ostrom	Skoglund	Welker
Kalis	McPherson	Ozment	Smith	Welle
Kelso	Milbert	Pauly	Solberg	Wenzel
Kinkel	Morrison	Pellow	Sparby	Winter
Knickerbocker	Munger	Pelowski	Stanius	Spk. Vanasek
Koppendrayer	Murphy	Peterson	Steenasma	
Krinkie	Nelson, K.	Pugh	Sviggum	
Krueger	Nelson, S.	Reding	Swenson	

The bill was passed and its title agreed to.

H. F. No. 702, A bill for an act relating to agriculture; transferring the rural finance authority to the department of agriculture; changing the makeup and certain duties and procedures of the authority; providing for an agricultural development bond program to finance agricultural business enterprises and beginning farmers; establishing a dairy upgrading program; appropriating funds; amending Minnesota Statutes 1990, sections 41B.025, subdivisions 1, 3, 5, and 6; 41B.211; 474A.02, subdivisions 13a and 23a; 474A.03, subdivision 1; 474A.061, subdivisions 1, 2b, 3, and 4; 474A.091; 474A.14; proposing coding for new law in Minnesota Statutes, chapter 41B; proposing coding for new law as Minnesota Statutes, chapter 41C.

The bill was read for the third 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	Carruthers	Greenfield	Jennings	Long
Anderson, I.	Clark	Gruenes	Johnson, A.	Lourey
Anderson, R.	Cooper	Gutknecht	Johnson, R.	Lynch
Anderson, R. H.	Dauner	Hanson	Johnson, V.	Macklin
Battaglia	Davids	Hartle	Kahn	Mariani
Bauerly	Dawkins	Hasskamp	Kalis	Marsh
Beard	Dempsey	Haukoos	Kelso	McEachern
Begich	Dille	Hausman	Kinkel	McGuire
Bertram	Dorn	Heir	Knickerbocker	McPherson
Bettermann	Erhardt	Henry	Koppendrayer	Milbert
Bishop	Farrell	Hufnagle	Krinkie	Morrison
Blatz	Frederick	Hugoson	Krueger	Munger
Bodahl	Frerichs	Jacobs	Lasley	Murphy
Boo	Garcia	Janezich	Leppik	Nelson, K.
Brown	Girard	Jaros	Lieder	Nelson, S.
Carlson	Goodno	Jefferson	Limmer	Newinski

O'Connor	Ozment	Runbeck	Stanius	Wagenius
Ogren	Pauly	Sarna	Steenasma	Waltman
Olsen, S.	Pellow	Schafer	Sviggum	Weaver
Olson, E.	Pelowski	Scheid	Swenson	Wejzman
Olson, K.	Peterson	Schreiber	Thompson	Welker
Omann	Pugh	Seaberg	Tompkins	Welle
Onnen	Reding	Segal	Trimble	Wenzel
Orenstein	Rest	Skoglund	Tunheim	Winter
Orfield	Rice	Smith	Uphus	Spk. Vanasek
Osthoff	Rodosovich	Solberg	Valento	
Ostrom	Rukavina	Sparby	Vellenga	

The bill was passed and its title agreed to.

H. F. No. 860, A bill for an act relating to economic development; providing funding for the Red River trade corridor project; appropriating money.

The bill was read for the third time and placed upon its final passage.

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

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Ogren	Segal
Anderson, I.	Frerichs	Kinkel	Olsen, S.	Skoglund
Anderson, R.	Garcia	Knickerbocker	Olson, E.	Smith
Anderson, R. H.	Girard	Koppendrayner	Olson, K.	Solberg
Battaglia	Goodno	Krinkie	Omann	Sparby
Bauerly	Greenfield	Krueger	Onnen	Stanius
Beard	Gruenes	Lasley	Orenstein	Steenasma
Begich	Gutknecht	Leppik	Orfield	Sviggum
Bertram	Hanson	Lieder	Osthoff	Swenson
Bettermann	Hartle	Limmer	Ostrom	Thompson
Bishop	Hasskamp	Long	Ozment	Tompkins
Blatz	Haukoos	Lourey	Pauly	Trimble
Bodahl	Hausman	Lynch	Pellow	Tunheim
Boo	Heir	Macklin	Pelowski	Uphus
Brown	Henry	Mariani	Peterson	Valento
Carlson	Hufnagle	Marsh	Pugh	Vellenga
Carruthers	Hugoson	McEachern	Reding	Wagenius
Clark	Jacobs	McGuire	Rest	Waltman
Cooper	Janezich	McPherson	Rice	Weaver
Dauner	Jaros	Milbert	Rodosovich	Wejzman
Davids	Jefferson	Morrison	Rukavina	Welker
Dawkins	Jennings	Munger	Runbeck	Welle
Dempsey	Johnson, A.	Murphy	Sarna	Wenzel
Dille	Johnson, R.	Nelson, K.	Schafer	Winter
Dorn	Johnson, V.	Nelson, S.	Scheid	Spk. Vanasek
Erhardt	Kahn	Newinski	Schreiber	
Farrell	Kalis	O'Connor	Seaberg	

The bill was passed and its title agreed to.

H. F. No. 961, A bill for an act relating to agriculture; appropriating money for the farmer-lender mediation program.

The bill was read for the third 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	Frederick	Kelso	Ogren	Segal
Anderson, I.	Frerichs	Kinkel	Olsen, S.	Skoglund
Anderson, R.	Garcia	Knickerbocker	Olson, E.	Smith
Anderson, R. H.	Girard	Koppendrayer	Olson, K.	Solberg
Battaglia	Goodno	Krinkie	Omann	Sparby
Bauerly	Greenfield	Krueger	Onnen	Stanius
Beard	Gruenes	Lasley	Orenstein	Steenasma
Begich	Gutknecht	Leppik	Orfield	Sviggum
Bertram	Hanson	Lieder	Osthoff	Swenson
Bettermann	Hartle	Limmer	Ostrom	Thompson
Bishop	Hasskamp	Long	Ozment	Tompkins
Blatz	Haukoos	Lourey	Pauly	Trimble
Bodahl	Hausman	Lynch	Pellow	Tunheim
Boo	Heir	Macklin	Pelowski	Uphus
Brown	Henry	Mariani	Peterson	Valento
Carlson	Hufnagle	Marsh	Pugh	Vellenga
Carruthers	Hugoson	McEachern	Reding	Wagenius
Clark	Jacobs	McGuire	Rest	Waltman
Cooper	Janezich	McPherson	Rice	Weaver
Dauner	Jaros	Milbert	Rodosovich	Wejcmann
Davids	Jefferson	Morrison	Rukavina	Welker
Dawkins	Jennings	Munger	Runbeck	Welle
Dempsey	Johnson, A.	Murphy	Sarna	Wenzel
Dille	Johnson, R.	Nelson, K.	Schafer	Winter
Dorn	Johnson, V.	Nelson, S.	Scheid	Spk. Vanasek
Erhardt	Kahn	Newinski	Schreiber	
Farrell	Kalis	O'Connor	Seaberg	

The bill was passed and its title agreed to.

H. F. No. 1000, A bill for an act relating to farm safety; authorizing a program for training youth in the safe operation of farm equipment; requiring a farm safety specialist; providing for a pilot project of comprehensive farm safety audits; requiring certain safety equipment on farm tractors at time of sale; establishing a research center for agricultural health and safety; requiring certain studies and reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 17; 137; and 325F.

The bill was read for the third time and placed upon its final passage.

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

Those who voted in the affirmative were:

Abrams	Frederick	Kinkel	Olsen, S.	Skoglund
Anderson, I.	Frerichs	Knickerbocker	Olson, E.	Smith
Anderson, R.	Garcia	Koppendrayner	Olson, K.	Solberg
Anderson, R. H.	Girard	Krinkie	Omann	Sparby
Battaglia	Goodno	Krueger	Omnen	Stanius
Bauerly	Greenfield	Lasley	Orenstein	Steenasma
Beard	Gruenes	Leppik	Orfield	Sviggum
Begich	Gutknecht	Lieder	Osthoff	Swenson
Bertram	Hanson	Limmer	Ostrom	Thompson
Bettermann	Hartle	Long	Ozment	Tompkins
Bishop	Hasskamp	Lourey	Pauly	Trimble
Blatz	Haukoos	Lynch	Pellow	Tunheim
Bodahl	Hausman	Macklin	Pelowski	Uphus
Boo	Heir	Mariani	Peterson	Valento
Brown	Henry	Marsh	Pugh	Vellenga
Carlson	Hufnagle	McEachern	Reding	Wagenius
Carruthers	Hugoson	McGuire	Rest	Waltman
Clark	Jacobs	McPherson	Rice	Weaver
Cooper	Janezich	Milbert	Rodosovich	Wejcman
Dauner	Jaros	Morrison	Rukavina	Welker
Davids	Jennings	Munger	Runbeck	Welle
Dawkins	Johnson, A.	Murphy	Sarna	Wenzel
Dempsey	Johnson, R.	Nelson, K.	Schafer	Winter
Dille	Johnson, V.	Nelson, S.	Scheid	Spk. Vanasek
Dorn	Kahn	Newinski	Schreiber	
Erhardt	Kalis	O'Connor	Seaberg	
Farrell	Kelso	Ogren	Segal	

The bill was passed and its title agreed to.

H. F. No. 1353 was reported to the House.

Segal moved to amend H. F. No. 1353, the first engrossment, as follows:

Page 1, line 17, delete "must" and insert "may"

Page 3, line 7, delete "1993" and insert "1992"

The motion prevailed and the amendment was adopted.

H. F. No. 1353, A bill for an act relating to economic development; establishing an international partnership program in the Minnesota trade office; authorizing a partnership program project; proposing coding for new law in Minnesota Statutes, chapter 116J.

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 5 nays as follows:

Those who voted in the affirmative were:

Abrams	Farrell	Kelso	O'Connor	Seaberg
Anderson, I.	Frederick	Kinkel	Ogren	Segal
Anderson, R.	Frerichs	Knickerbocker	Olsen, S.	Skoglund
Anderson, R. H.	Garcia	Koppendrayer	Olson, E.	Smith
Battaglia	Girard	Krinkie	Olson, K.	Solberg
Bauerly	Goodno	Krueger	Omann	Sparby
Beard	Greenfield	Lasley	Onnen	Stanius
Begich	Gruenes	Leppik	Orenstein	Steenma
Bertram	Hanson	Lieder	Orfield	Swenson
Bettermann	Hartle	Limmer	Osthoff	Thompson
Bishop	Hasskamp	Long	Ostrom	Tompkins
Blatz	Haukoos	Lourey	Ozment	Trimble
Bodahl	Hausman	Lynch	Pauly	Tunheim
Boo	Henry	Macklin	Pellow	Uphus
Brown	Hufnagle	Mariani	Pelowski	Valento
Carlson	Hugoson	Marsh	Peterson	Vellenga
Carruthers	Jacobs	McEachern	Pugh	Wagenius
Clark	Janezich	McGuire	Reding	Waltman
Cooper	Jaros	McPherson	Rest	Weaver
Dauner	Jefferson	Milbert	Rice	Wejzman
Davids	Jennings	Morrison	Rodosovich	Welle
Dawkins	Johnson, A.	Munger	Rukavina	Wenzel
Dempsey	Johnson, R.	Murphy	Runbeck	Winter
Dille	Johnson, V.	Nelson, K.	Sarna	Spk. Vanasek
Dorn	Kahn	Nelson, S.	Schafer	
Erhardt	Kalis	Newinski	Scheid	

Those who voted in the negative were:

Gutknecht	Heir	Schreiber	Sviggum	Welker
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The bill was passed, as amended, and its title agreed to.

H. F. No. 1657, 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 third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 10 nays as follows:

Those who voted in the affirmative were:

Abrams	Carlson	Goodno	Jennings	Long
Anderson, I.	Carruthers	Greenfield	Johnson, A.	Lourey
Anderson, R.	Clark	Gruenes	Johnson, R.	Lynch
Anderson, R. H.	Cooper	Gutknecht	Johnson, V.	Macklin
Battaglia	Dauner	Hanson	Kahn	Mariani
Bauerly	Davids	Hartle	Kalis	Marsh
Beard	Dawkins	Hasskamp	Kelso	McEachern
Begich	Dempsey	Haukoos	Kinkel	McGuire
Bertram	Dille	Hausman	Knickerbocker	McPherson
Bettermann	Dorn	Hufnagle	Koppendrayer	Milbert
Bishop	Erhardt	Hugoson	Krinkie	Munger
Blatz	Farrell	Jacobs	Krueger	Murphy
Bodahl	Frederick	Janezich	Lasley	Nelson, K.
Boo	Garcia	Jaros	Leppik	Nelson, S.
Brown	Girard	Jefferson	Lieder	Newinski

O'Connor	Ostrom	Rukavina	Solberg	Vellienga
Ogren	Ozment	Runbeck	Sparby	Wagenius
Olsen, S.	Pellow	Sarna	Stanius	Waltman
Olson, E.	Pelowski	Schafer	Steensma	Weaver
Olson, K.	Peterson	Scheid	Swenson	Wejcmán
Ománn	Pugh	Schreiber	Thompson	Welle
Onnen	Reding	Seaberg	Tompkins	Wenzel
Orenstein	Rest	Segal	Trimble	Winter
Orfield	Rice	Simoneau	Tunheim	Spk. Vanasek
Osthoff	Rodosovich	Skoglund	Uphus	

Those who voted in the negative were:

Frerichs	Henry	Morrison	Smith	Valento
Heir	Limmer	Pauly	Sviggum	Welker

The bill was passed and its title agreed to.

SPECIAL ORDERS

S. F. No. 417 was reported to the House.

Nelson, K., moved to amend S. F. No. 417, as follows:

Page 4, line 9, strike "of the receipt of the" and insert "that the"

Page 4, line 10, strike "assigned identification number"

Page 4, line 11, after "13" insert "was issued"

Page 24, delete section 28

Pages 29 to 31, delete section 35

Page 33, after line 9, insert:

"Sec. 36. [MECC SALES OR USE TAXES.]

Any sales or use taxes collected by the commissioner of revenue from the Minnesota Educational Computing Consortium with respect to transactions occurring prior to January 5, 1991 shall be deposited in the permanent school fund."

Page 34, line 4, after "10," 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. 417, A bill for an act relating to education; making noncontroversial clarifications and modifications to certain school district and department of education provisions; amending Minnesota Statutes 1990, sections 120.062, subdivisions 4 and 6; 120.0752, subdivision 2; 121.612, subdivisions 2 and 5; 122.23, subdivision 18; 123.932, subdivision 3; 124.14, subdivision 1; 124.155, subdivision 2; 124.195, subdivisions 2, 3, 3a, 10, and 11; 124.2139; 124.214, subdivisions 2 and 3; 124.244, subdivision 3; 124.83, subdivisions 1 and 5; 124A.036, subdivision 5; 124A.24; 124B.03, subdivision 2; 124C.03, subdivision 14; 124C.49; 125.12, subdivision 6b; 125.60, subdivision 3; 126.22, subdivision 4; 275.065, subdivision 6; 275.125, subdivisions 4, 11d, 18, and 20; 275.16; 297A.256; and 354.094, subdivision 1; and Laws 1991, chapter 2, article 2, section 2; repealing Minnesota Statutes 1990, sections 119.01; 119.02; 119.03; 119.04, subdivisions 1, 2, and 3; 119.05; 119.06; 119.07; 119.08; 119.09; 121.933, subdivision 2; 122.23, subdivision 17; 123.932, subdivision 4; 124A.02, subdivision 19; 124C.21; 275.125, subdivisions 1, 4a, and 8d; and 354.094, subdivisions 1a and 1b.

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 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dille	Jaros	Marsh	Pauly
Anderson, I.	Dorn	Jefferson	McEachern	Pellow
Anderson, R.	Erhardt	Jennings	McGuire	Pelowski
Anderson, R. H.	Farrell	Johnson, A.	McPherson	Peterson
Battaglia	Frederick	Johnson, R.	Milbert	Pugh
Bauerly	Frerichs	Johnson, V.	Morrison	Reding
Beard	Garcia	Kahn	Munger	Rest
Begich	Girard	Kalis	Murphy	Rice
Bertram	Goodno	Kelso	Nelson, K.	Rodosovich
Bettermann	Greenfield	Kinkel	Nelson, S.	Rukavina
Bishop	Gruenes	Knickerbocker	Newinski	Runbeck
Blatz	Gutknecht	Koppendrayer	O'Connor	Sarna
Bodahl	Hanson	Krinking	Ogren	Schafer
Boo	Hartle	Krueger	Olsen, S.	Scheid
Brown	Hasskamp	Lasley	Olson, E.	Schreiber
Carlson	Haukoos	Leppik	Olson, K.	Seaberg
Carruthers	Hausman	Lieder	Omman	Segal
Clark	Heir	Limmer	Onnen	Simoneau
Cooper	Henry	Long	Orenstein	Skoglund
Dauner	Hufnagle	Lourey	Orfield	Smith
Davids	Hugoson	Lynch	Osthoff	Solberg
Dawkins	Jacobs	Macklin	Ostrom	Sparby
Dempsey	Janezich	Mariani	Ozment	Stanisus

Steensma	Tompkins	Valento	Weaver	Wenzel
Sviggum	Trimble	Vellenga	Wejzman	Winter
Swenson	Tunheim	Wagenius	Welker	Spk. Vanasek
Thompson	Uphus	Waltman	Welle	

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

S. F. No. 302 was reported to the House.

Janezich moved that S. F. No. 302 be continued on Special Orders. The motion prevailed.

H. F. No. 202 was reported to the House.

Hasskamp moved that H. F. No. 202 be temporarily laid over on Special Orders. The motion prevailed.

H. F. No. 1190 was reported to the House.

There being no objection, H. F. No. 1190 was temporarily laid over on Special Orders.

H. F. No. 1593 was reported to the House.

Bertram moved that H. F. No. 1593 be returned to General Orders. The motion prevailed.

S. F. No. 437, A bill for an act relating to agriculture; changing the shade tree disease and wood use programs; amending Minnesota Statutes 1990, sections 18.023, subdivisions 10a and 11; and 18.024, 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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Begich	Brown	Dawkins	Frerichs
Anderson, I.	Bertram	Carlson	Dempsey	Garcia
Anderson, R.	Bettermann	Carruthers	Dille	Girard
Anderson, R. H.	Bishop	Clark	Dorn	Goodno
Battaglia	Blatz	Cooper	Erhardt	Greenfield
Bauerly	Bodahl	Dauner	Farrell	Gruenes
Beard	Boo	Davids	Frederick	Gutknecht

Hanson	Kinkel	Munger	Peterson	Steensma
Hartle	Knickerbocker	Murphy	Pugh	Sviggum
Hasskamp	Koppendrayner	Nelson, K.	Reding	Swenson
Haukoos	Krinkie	Nelson, S.	Rest	Thompson
Hausman	Krueger	Newinski	Rice	Tompkins
Heir	Lasley	O'Connor	Rodosovich	Trimble
Henry	Leppik	Ogren	Rukavina	Tunheim
Hufnagle	Lieder	Olsen, S.	Runbeck	Uphus
Hugoson	Limmer	Olson, E.	Sarna	Valento
Jacobs	Long	Olson, K.	Schafer	Vellenga
Janezich	Lourey	Omann	Scheid	Wagenius
Jaros	Lynch	Onnen	Schreiber	Waltman
Jefferson	Macklin	Orenstein	Seaberg	Weaver
Jennings	Mariani	Orfield	Segal	Wejcman
Johnson, A.	Marsh	Osthoff	Simoneau	Welker
Johnson, R.	McEachern	Ostrom	Skoglund	Wenzel
Johnson, V.	McGuire	Ozment	Smith	Winter
Kahn	McPherson	Pauly	Solberg	Spk. Vanasek
Kalis	Milbert	Pellow	Sparby	
Kelso	Morrison	Pelowski	Stanius	

The bill was passed and its title agreed to.

H. F. No. 958, A bill for an act relating to agriculture; providing for development of aquaculture; amending Minnesota Statutes 1990, section 17.49; proposing coding for new law in Minnesota Statutes, chapter 17.

The bill was read for the third 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	Dorn	Jennings	McPherson	Resting
Anderson, I.	Erhardt	Johnson, A.	Milbert	Rest
Anderson, R.	Farrell	Johnson, R.	Morrison	Rice
Anderson, R. H.	Frederick	Johnson, V.	Murphy	Rodosovich
Battaglia	Frerichs	Kahn	Nelson, K.	Rukavina
Bauerly	Garcia	Kalis	Nelson, S.	Runbeck
Beard	Girard	Kelso	Newinski	Sarna
Begich	Goodno	Kinkel	O'Connor	Schafer
Bertram	Greenfield	Knickerbocker	Ogren	Scheid
Bettermann	Gruenes	Koppendrayner	Olsen, S.	Schreiber
Bishop	Gutknecht	Krinkie	Olson, E.	Seaberg
Blatz	Hanson	Krueger	Olson, K.	Segal
Bodahl	Hartle	Lasley	Omann	Simoneau
Boo	Hasskamp	Leppik	Onnen	Skoglund
Brown	Haukoos	Lieder	Orenstein	Smith
Carlson	Hausman	Limmer	Orfield	Solberg
Carruthers	Heir	Long	Osthoff	Sparby
Clark	Henry	Lourey	Ostrom	Stanius
Cooper	Hufnagle	Lynch	Ozment	Steensma
Dauner	Hugoson	Macklin	Pauly	Sviggum
Davids	Jacobs	Mariani	Pellow	Swenson
Dawkins	Janezich	Marsh	Pelowski	Thompson
Dempsey	Jaros	McEachern	Peterson	Tompkins
Dille	Jefferson	McGuire	Pugh	Trimble

Tunheim	Vellenga	Weaver	Welle	Spk. Vanasek
Uphus	Wagenius	Wejcman	Wenzel	
Valento	Waltman	Welker	Winter	

The bill was passed and its title agreed to.

H. F. No. 1142 was reported to the House.

Carruthers moved that H. F. No. 1142 be temporarily laid over on Special Orders. The motion prevailed.

S. F. No. 531, A bill for an act relating to waste; authorizing a water or sewer commission to issue bonds; amending Minnesota Statutes 1990, section 116A.24, subdivisions 2 and 3.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Ogren	Segal
Anderson, I.	Frerichs	Kinkel	Olsen, S.	Simoneau
Anderson, R.	Garcia	Knickerbocker	Olson, E.	Skoglund
Anderson, R. H.	Girard	Koppendraye	Olson, K.	Smith
Battaglia	Goodno	Krinkie	Omann	Solberg
Bauerly	Greenfield	Krueger	Onnen	Sparby
Beard	Gruenes	Lasley	Orenstein	Stanius
Begich	Gutknecht	Leppik	Orfield	Steensma
Bertram	Hanson	Lieder	Osthoff	Sviggum
Bettermann	Hartle	Limmer	Ostrom	Swenson
Bishop	Hasskamp	Long	Ozment	Thompson
Blatz	Haukoos	Lourey	Pauly	Tompkins
Bodahl	Hausman	Lynch	Pellow	Trimble
Boo	Heir	Macklin	Pelowski	Tunheim
Brown	Henry	Mariani	Peterson	Uphus
Carlson	Hufnagle	Marsh	Pugh	Valento
Carruthers	Hugoson	McEachern	Reding	Vellenga
Clark	Jacobs	McGuire	Rest	Wagenius
Cooper	Janezich	McPherson	Rice	Waltman
Dauner	Jaros	Milbert	Rodosovich	Weaver
Davids	Jefferson	Morrison	Rukavina	Wejcman
Dawkins	Jennings	Munger	Runbeck	Welker
Dempsey	Johnson, A.	Murphy	Sarna	Welle
Dille	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dorn	Johnson, V.	Nelson, S.	Scheid	Winter
Erhardt	Kahn	Newinski	Schreiber	Spk. Vanasek
Farrell	Kalis	O'Connor	Seaberg	

The bill was passed and its title agreed to.

S. F. No. 953 was reported to the House.

Olsen, S., moved that S. F. No. 953 be temporarily laid over on Special Orders. The motion prevailed.

S. F. No. 691, A bill for an act relating to probate; authorizing the court to set aside certain transactions made prior to establishment of a guardianship or conservatorship; amending Minnesota Statutes 1990, section 525.56, 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 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Ogren	Segal
Anderson, I.	Frerichs	Kinkel	Olson, S.	Simoneau
Anderson, R.	Garcia	Knickerbocker	Olson, E.	Skoglund
Anderson, R. H.	Girard	Koppendrayser	Olson, K.	Smith
Battaglia	Goodno	Krinkie	Olmann	Solberg
Bauerly	Greenfield	Krueger	Onnen	Sparby
Beard	Gruenes	Lasley	Orenstein	Stanius
Begich	Gutknecht	Leppik	Orfield	Steensma
Bertram	Hanson	Lieder	Osthoff	Sviggum
Bettermann	Hartle	Limmer	Ostrom	Swenson
Bishop	Hasskamp	Long	Ozment	Thompson
Blatz	Haukoos	Lourey	Pauly	Tompkins
Bodahl	Hausman	Lynch	Fellow	Trimble
Boo	Heir	Macklin	Pelowski	Tunheim
Brown	Henry	Mariani	Peterson	Uphus
Carlson	Hufnagle	Marsh	Pugh	Valento
Carruthers	Hugoson	McEachern	Reding	Vellenga
Clark	Jacobs	McGuire	Rest	Wagenius
Cooper	Janezich	McPherson	Rice	Waltman
Dauner	Jaros	Milbert	Rodosovich	Weaver
Dauids	Jefferson	Morrison	Rukavina	Wejcmán
Dawkins	Jennings	Munger	Runbeck	Welker
Dempsey	Johnson, A.	Murphy	Sarna	Welle
Dille	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dorn	Johnson, V.	Nelson, S.	Scheid	Winter
Erhardt	Kahn	Newinski	Schreiber	Spk. Vanasek
Farrell	Kalis	O'Connor	Seaberg	

The bill was passed and its title agreed to.

S. F. No. 880 was reported to the House.

Sparby moved to amend S. F. No. 880, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 48.512, subdivision 3, is amended to read:

Subd. 3. [CONFIRM NO INVOLUNTARY CLOSING.] Before opening or authorizing signatory power over a transaction account, the financial intermediary shall attempt to verify the information disclosed for subdivision 2, clause (i). Inquiries made to verify this information through persons in the business or providing such information shall include an inquiry based on the applicant's identification number provided under subdivision 2, clause (g). The financial intermediary may not open or authorize signatory power over a transaction account if (i) the applicant had a transaction account closed by a financial intermediary without consent because of issuance by the applicant of dishonored checks within 12 months immediately preceding the application, or (ii) the applicant has been convicted of a criminal offense because of the use of a check or other similar item within 24 months immediately preceding the application.

If the transaction account is refused pursuant to this subdivision, the reasons for the refusal shall be given to the applicant in writing and the applicant shall be allowed to provide additional information.

Sec. 2. Minnesota Statutes 1990, section 48.512, subdivision 4, is amended to read:

Subd. 4. [IDENTIFICATION IS REQUIRED.] A financial intermediary shall not open or authorize signatory power over a transaction account if none of the applicants provides a driver's license, identification card, or identification document as required by subdivision 2. If the applicant provides a driver's license or identification card issued under section 171.07, the financial intermediary must confirm the identification number and name on that card through the records of the department of public safety. The financial intermediary need not confirm this information if an employee of the financial intermediary has known the identity of the applicant for at least one year prior to the time of the application, and the employee provides a signed statement confirming that fact. When a minor is the applicant and the minor does not have a driver's license or identification card issued pursuant to section 171.07, the identification requirements of subdivision 2, clause (g), and this subdivision are satisfied if the minor's parent or guardian provides identification of that person's own that meets the identification requirement. The financial intermediary may waive the identification requirement if the applicant has had another type of account with the financial intermediary for at least one year immediately preceding the time of application.

Sec. 3. Minnesota Statutes 1990, section 48.512, subdivision 5, is amended to read:

Subd. 5. [NO LIABILITY.] The requirements of this section do not impose any liability on financial intermediaries offering transaction accounts or, except as provided in subdivisions 3 and 4, limit a

financial intermediary's discretion as to whether to grant or deny an application subject to this section. This subdivision does not exempt a financial intermediary from civil penalties imposed under section 45.027.

Sec. 4. Minnesota Statutes 1990, section 48.512, is amended by adding a subdivision to read:

Subd. 8. [CHECK LABELING.] A person providing printed checks for a transaction account shall print the month and year that the original order was received or the month and year that appears on the facsimile of the check from which the new checks are produced, unless the applicant has an existing account in good standing or a previous account in good standing within the past five years that was voluntarily closed. This subdivision no longer applies after the account has been open and in good standing for one year.

Sec. 5. Minnesota Statutes 1990, section 48.512, is amended by adding a subdivision to read:

Subd. 9. [RULES AFFECTING CHECKING ACCOUNTS; OTHER FINANCIAL INFORMATION.] The commissioner of commerce may exercise the powers authorized under section 45.027 if the commissioner has reason to believe that a financial intermediary or drawer has failed to:

(1) comply with the verification requirements of subdivision 2, 3, or 4; or

(2) release information as required under section 609.535, subdivision 7.

Sec. 6. [48.513] [FINANCIAL INTERMEDIARY FEES.]

A financial intermediary may charge a fee for the assembly, production, and copying of records requested under chapter 13A or section 609.535, subdivision 6 or 7. The fee may not exceed a reasonable standard charge for document search and duplication. For purposes of this section, "financial intermediary" has the meaning given in section 48.512, subdivision 1.

Sec. 7. Minnesota Statutes 1990, section 332.50, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] "Check" means a check, draft, order of withdrawal, or similar negotiable or nonnegotiable instrument.

"Credit" means an arrangement or understanding with the drawee for the payment of the check.

"Dishonor" has the meaning given in section 336.3-507, but does not include dishonor due to a stop payment order requested by an issuer who has a good faith defense to payment on the check.

Sec. 8. Minnesota Statutes 1990, section 332.50, subdivision 2, is amended to read:

Subd. 2. [ACTS CONSTITUTING.] (a) Whoever issues any check that is dishonored and is not paid within 30 days after mailing a notice of dishonor that includes a citation to this section and section 609.535, and a description of the penalties contained in these sections, in compliance with subdivision 3, is liable to the holder for: (1) the amount of the check, plus a civil penalty of up to \$100, or up to 100 percent of the value of the check, whichever is greater; (2) interest at the rate payable on judgments pursuant to section 549.09 on the face amount of the check from the date of dishonor; and (3) reasonable attorney fees if the aggregate amount of the check checks is over \$1,250.

(b) If the amount of the dishonored check plus any service charges which have been incurred under paragraphs (d) and (e) have not been paid within 30 days after having mailed a notice of dishonor in compliance with subdivision 3 but before initiating a cause of action, the holder may make a written demand for payment for the liability imposed by paragraph (a) by sending a copy of this section and a description of the liability contained in this section to the issuer's last known address.

(c) After notice has been sent but before an action under this section is heard by the court, the plaintiff shall settle the claim if the defendant gives the plaintiff the amount of the check plus court costs, any service charge owed under paragraph (d), and attorney fees if the amount of the check was over \$1,250.

(d) A service charge not exceeding \$15 may be imposed immediately on any dishonored check, regardless of mailing a notice of dishonor, if written notice of the service charge was conspicuously displayed on the premises when the check was issued. The service charge may not exceed \$20, except that if the payee uses the services of a law enforcement agency to obtain payment of a dishonored check, a service charge of up to \$25 may be imposed if the service charge is used to reimburse the law enforcement agency for its expenses. A payee may impose only one service charge under this paragraph for each dishonored check.

(e) This subdivision prevails over any provision of law limiting, prohibiting, or otherwise regulating service charges authorized by this subdivision, but does not nullify charges for dishonored checks, which do not exceed \$15 the charges in paragraph (d) or the actual cost of collection, but in no case more than \$30, or terms or

conditions for imposing the charges which have been agreed to by the parties to an express contract.

Sec. 9. Minnesota Statutes 1990, section 609.535, subdivision 2a, is amended to read:

Subd. 2a. [PENALTIES.] (a) A person who is convicted of issuing a dishonored check under subdivision 2 may be sentenced as follows:

(1) to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the value of the dishonored check, or checks aggregated under paragraph (b), is more than \$250; or

(2) to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both, if the value of the dishonored check, or checks aggregated under paragraph (b), is not more than \$250.

(b) In a prosecution under this subdivision, the value of dishonored checks issued by the defendant in violation of this subdivision within any six-month period may be aggregated and the defendant charged accordingly in applying this section. When two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the dishonored checks was issued for all of the offenses aggregated under this paragraph.

Sec. 10. Minnesota Statutes 1990, section 609.535, subdivision 6, is amended to read:

Subd. 6. [RELEASE OF ACCOUNT INFORMATION TO LAW ENFORCEMENT AUTHORITIES.] A drawee shall release the information specified below to any state, county, or local law enforcement or prosecuting authority which certifies in writing that it is investigating or prosecuting a complaint against the drawer under this section or section 609.52, subdivision 2, clause (3)(a), and that 15 days have elapsed since the mailing of the notice of dishonor required by subdivisions 3 and 8. This subdivision applies to the following information relating to the drawer's account:

(1) Documents relating to the opening of the account by the drawer;

(2) Notices regarding nonsufficient funds, overdrafts, and the dishonor of any check drawn on the account within a period of six months of the date of request;

(3) Periodic statements mailed to the drawer by the drawee for the periods immediately prior to, during, and subsequent to the issu-

ance of any check which is the subject of the investigation or prosecution; or

(4) The last known home and business addresses and telephone numbers of the drawer.

The drawee shall release all of the information described in clauses (1) to (4) that it possesses within ten days after receipt of a request conforming to all of the provisions of this subdivision. ~~The drawee may impose a reasonable fee for the cost for furnishing this information to law enforcement or prosecuting authorities, not to exceed 15 cents per page.~~

A drawee is not liable in a criminal or civil proceeding for releasing information in accordance with this subdivision.

Sec. 11. Minnesota Statutes 1990, section 609.535, subdivision 7, is amended to read:

Subd. 7. [RELEASE OF ACCOUNT INFORMATION TO PAYEE OR HOLDER.] (a) A drawee shall release the information specified in paragraph (b), clauses (1) and (2) to (3) to the payee or holder of a check that has been dishonored who makes a written request for this information and states in writing that the check has been dishonored and that 30 days have elapsed since the mailing of the notice described in subdivision 8 and who accompanies this request with a copy of the dishonored check and a copy of the notice of dishonor.

The requesting payee or holder shall notify the drawee immediately to cancel this request if payment is made before the drawee has released this information.

(b) This subdivision applies to the following information relating to the drawer's account:

(1) Whether at the time the check was issued or presented for payment the drawer had sufficient funds or credit with the drawee, and whether at that time the account was open, closed, or restricted for any reason and the date it was closed or restricted; ~~and~~

(2) The last known home address and telephone number of the drawer. The drawee may not release the address or telephone number of the place of employment of the drawer unless the drawer is a business entity or the place of employment is the home; and

(3) A statement as to whether the aggregated value of dishonored checks attributable to the drawer within six months before or after the date of the dishonored check exceeds \$250; for purposes of this

clause, a check is not dishonored if payment was not made pursuant to a stop payment order.

The drawee shall release all of the information described in clauses (1) ~~and (2)~~ to (3) that it possesses within ten days after receipt of a request conforming to all of the provisions of this subdivision. ~~The drawee may require the person requesting the information to pay the reasonable costs, not to exceed 15 cents per page, of reproducing and mailing the requested information.~~

(c) A drawee is not liable in a criminal or civil proceeding for releasing information in accordance with this subdivision."

The motion prevailed and the amendment was adopted.

Johnson, R., moved to amend S. F. No. 880, as amended, as follows:

Page 5, after line 22, insert:

"Sec. 9. Minnesota Statutes 1990, section 349.2127, subdivision 7, is amended to read:

Subd. 7. [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. This subdivision does not apply to gaming activities conducted pursuant to the Indian Gaming Regulatory Act, 25 U.S.C. 2701 et seq."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

POINT OF ORDER

Scheid raised a point of order pursuant to rule 3.09 that the Johnson, R., amendment was not in order. Speaker pro tempore Bauerly ruled the point of order not well taken and the amendment in order.

The question was taken on the Johnson, R., amendment and the roll was called. There were 85 yeas and 42 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Greenfield	Koppendrayer	Olson, E.	Sparby
Anderson, R.	Gruenes	Krinkie	Olson, K.	Steensma
Battaglia	Gutknecht	Lasley	Orenstein	Sviggum
Bauerly	Hanson	Lieder	Ostrom	Swenson
Beard	Hartle	Long	Ozment	Thompson
Begich	Hasskamp	Lourey	Pelowski	Trimble
Brown	Jacobs	Mariani	Peterson	Tunheim
Carlson	Janezich	McEachern	Pugh	Uphus
Clark	Jefferson	McPherson	Reding	Vellenga
Dauner	Jennings	Milbert	Rest	Wagenius
Dawkins	Johnson, A.	Munger	Rice	Weaver
Dempsey	Johnson, R.	Murphy	Rodosovich	Wejeman
Dille	Johnson, V.	Nelson, K.	Sarna	Welker
Dorn	Kahn	Nelson, S.	Schafer	Welle
Farrell	Kalis	O'Connor	Segal	Wenzel
Garcia	Kelso	Ogren	Simoneau	Winter
Girard	Kinkel	Olsen, S.	Solberg	Spk. Vanasek

Those who voted in the negative were:

Abrams	Erhardt	Hugoson	Omann	Skoglund
Anderson, R. H.	Frederick	Knickerbocker	Onnen	Smith
Bertram	Frerichs	Krueger	Orfield	Stanis
Bettermann	Goodno	Leppik	Pauly	Tompkins
Bishop	Haukoos	Limmer	Pellow	Valento
Bodahl	Hausman	Macklin	Runbeck	Waltman
Boo	Heir	Marsh	Scheid	
Carruthers	Henry	Morrison	Schreiber	
Dauids	Hufnagle	Newinski	Seaberg	

The motion prevailed and the amendment was adopted.

S. F. No. 880, A bill for an act relating to checks; increasing bank verification requirements for opening checking accounts; prohibiting service charges for dishonored checks on persons other than the issuer; regulating check numbering procedures; requiring the commissioner of commerce to adopt rules regarding verification procedure requirements; modifying procedures and liability for civil restitution for holders of worthless checks; authorizing service charges for use of law enforcement agencies; clarifying criminal penalties; increasing information that banks must provide to holders of worthless checks; imposing penalties; amending Minnesota Statutes 1990, sections 48.512, subdivisions 3, 4, 5, 7, and by adding subdivisions; 332.50, subdivisions 1 and 2; and 609.535, subdivisions 2a and 7.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Ogren	Skoglund
Anderson, I.	Frerichs	Kinkel	Olsen, S.	Smith
Anderson, R.	Garcia	Knickerbocker	Olson, E.	Solberg
Anderson, R. H.	Girard	Koppendrayner	Olson, K.	Sparby
Battaglia	Goodno	Krinkie	Omann	Stanius
Bauerly	Greenfield	Krueger	Onnen	Steensma
Beard	Gruenes	Lasley	Orenstein	Sviggum
Begich	Gutknecht	Leppik	Orfield	Swenson
Bertram	Hanson	Lieder	Ostrom	Thompson
Bettermann	Hartle	Limmer	Ozment	Tompkins
Bishop	Hasskamp	Long	Pauly	Trimble
Blatz	Haukoos	Lourey	Pellow	Tunheim
Bodahl	Hausman	Lynch	Pelowski	Uphus
Boo	Heir	Macklin	Peterson	Valento
Brown	Henry	Mariani	Pugh	Vellenga
Carlson	Hufnagle	Marsh	Reding	Wagenius
Carruthers	Hugoson	McEachern	Rest	Waltman
Clark	Jacobs	McGuire	Rice	Weaver
Cooper	Janezich	McPherson	Rodosovich	Wejcmán
Dauner	Jaros	Milbert	Rukavina	Welker
Davids	Jefferson	Morrison	Runbeck	Welle
Dawkins	Jennings	Munger	Sarna	Wenzel
Dempsey	Johnson, A.	Murphy	Schafer	Winter
Dille	Johnson, R.	Nelson, K.	Schreiber	Spk. Vanasek
Dorn	Johnson, V.	Nelson, S.	Seaberg	
Erhardt	Kahn	Newinski	Segal	
Farrell	Kalis	O'Connor	Simoneau	

Those who voted in the negative were:

Scheid

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

H. F. No. 1142 which was temporarily laid over earlier today was again reported to the House.

Seaberg moved to amend H. F. No. 1142, the first engrossment, as follows:

Page 4, line 27, restore the stricken language and after the restored "action" insert "or arbitration proceeding"

Page 4, line 28, restore the stricken language and strike the restored "60" and insert "120"

Page 4, line 29, restore the stricken language

The motion prevailed and the amendment was adopted.

Carruthers moved to amend H. F. No. 1142, the first engrossment, as amended, as follows:

Page 6, line 30, after "arbitrations" insert "between the state of

Minnesota and its employees” and after the period, insert “This section does not prohibit an arbitrator from awarding interest under chapter 179 or 179A.”

Page 8, line 33, after “arbitration” insert “between the state of Minnesota and its employees””

Page 8, line 34, after the period, insert “This section does not prohibit an arbitrator from awarding interest under chapter 179 or 179A.””

The motion prevailed and the amendment was adopted.

H. F. No. 1142, A bill for an act relating to courts; regulating the use of certain tests; permitting certain punitive damages; directing the supreme court to establish an alternative dispute resolution program and adopt rules; setting conditions for alternative dispute resolution guidelines; providing for interest on arbitration awards; allowing an arbitrator or the court to modify an award based on an error of law; providing arbitration procedures; amending Minnesota Statutes 1990, sections 169.121, subdivision 6, and by adding a subdivision; 494.015; 494.03; 549.09; 572.10; 572.15; and 572.16; proposing coding for new law in Minnesota Statutes, chapter 484; repealing Minnesota Statutes 1990, sections 484.73; 484.74; and 494.01, subdivisions 3 and 5.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dauner	Hausman	Krinkie	Nelson, S.
Anderson, I.	Dauids	Heir	Krueger	Newinski
Anderson, R.	Dawkins	Henry	Lasley	O'Connor
Anderson, R. H.	Dempsey	Hufnagle	Leppik	Ogren
Battaglia	Dille	Hugoson	Lieder	Olsen, S.
Bauerly	Dorn	Jacobs	Limmer	Olson, E.
Beard	Erhardt	Janezich	Long	Omamn
Begich	Farrell	Jaros	Lourey	Onnen
Bertram	Frederick	Jefferson	Lynch	Orenstein
Bettermann	Frerichs	Jennings	Macklin	Orfield
Bishop	Garcia	Johnson, A.	Mariani	Osthoff
Blatz	Girard	Johnson, R.	Marsh	Ostrom
Bodahl	Goodno	Johnson, V.	McEachern	Ozment
Boo	Greenfield	Kahn	McPherson	Pauly
Brown	Gruenes	Kalis	Milbert	Pellow
Carlson	Gutknecht	Kelso	Morrison	Pelowski
Carruthers	Hanson	Kinkel	Munger	Peterson
Clark	Hartle	Knickerbocker	Murphy	Pugh
Cooper	Haukoos	Koppendraye	Nelson, K.	Reding

Rest	Schreiber	Stanius	Uphus	Welle
Rice	Seaberg	Steensma	Valento	Wenzel
Rodosovich	Segal	Sviggum	Vellenga	Winter
Rukavina	Simoneau	Swenson	Wagenius	Spk. Vanasek
Runbeck	Skoglund	Thompson	Waltman	
Sarna	Smith	Tompkins	Weaver	
Schafer	Solberg	Trimble	Wejzman	
Scheid	Sparby	Tunheim	Welker	

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

H. F. No. 202 which was temporarily laid over earlier today was again reported to the House.

Sviggum and Garcia moved to amend H. F. No. 202, the first engrossment, as follows:

Page 1, reinstate the stricken language

Page 2, lines 6, 11, 13, 17, 20 and 24 reinstate the stricken language and delete the inserted language

Page 2, line 36, delete “(e)” and insert “(f)”

Page 3, line 2, delete “(e)” and insert “(f)”

Amend the title accordingly

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

Girard and Rukavina moved to amend H. F. No. 202, the first engrossment, as follows:

Page 1, after line 6, insert:

“Section 1. Minnesota Statutes 1990, section 3.088, subdivision 1, is amended to read:

Subdivision 1. [LEAVE OF ABSENCE WITHOUT PAY.] Subject to this section, any appointed officer or employee of a political subdivision, municipal corporation, or school district of the state or an institution of learning maintained by the state who serves as a legislator ~~during a session~~ or is elected to a full-time city or county office in Minnesota is entitled to a leave of absence from the public office or to employment without pay ~~during any part or all of the service when on the business of the office,~~ with right of reinstatement as provided in this section.”

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 202, A bill for an act relating to public employees; defining the term "employee" for the purpose of the public employees labor relations act; providing for a leave of absence from public office or to employment without pay for certain elected officials; amending Minnesota Statutes 1990, sections 3.088, subdivision 1; 179A.03, subdivision 14.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 99 yeas and 34 nays as follows:

Those who voted in the affirmative were:

Abrams	Farrell	Knickerbocker	Olson, E.	Segal
Anderson, I.	Girard	Krueger	Olson, K.	Simoneau
Anderson, R.	Goodno	Lasley	Omann	Skoglund
Battaglia	Greenfield	Lieder	Orenstein	Solberg
Bauerly	Hanson	Long	Orfield	Sparby
Beard	Hartle	Lourey	Osthoff	Steensma
Begich	Hasskamp	Mariani	Ostrom	Thompson
Bertram	Hausman	Marsh	Ozment	Tompkins
Bishop	Henry	McEachern	Pelowski	Trimble
Bodahl	Jacobs	McGuire	Peterson	Tunheim
Brown	Janezich	Milbert	Pugh	Uphus
Carlson	Jaros	Morrison	Reding	Vellenga
Carruthers	Jefferson	Munger	Rest	Wagenius
Clark	Jennings	Murphy	Rice	Weaver
Cooper	Johnson, A.	Nelson, K.	Rodosovich	Wejzman
Dauner	Johnson, R.	Nelson, S.	Rukavina	Welle
Dawkins	Kahn	Newinski	Runbeck	Wenzel
Dille	Kalis	O'Connor	Sarna	Winter
Dorn	Kelso	Ogren	Scheid	Spk. Vanasek
Erhardt	Kinkel	Olsen, S.	Schreiber	

Those who voted in the negative were:

Anderson, R. H.	Frerichs	Hugoson	McPherson	Stanisus
Bettermann	Garcia	Johnson, V.	Onnen	Sviggum
Blatz	Gruenes	Koppendrayner	Pauly	Swenson
Boo	Gutknecht	Krinkie	Pellow	Valento
Davids	Haukoos	Leppik	Schafer	Waltman
Dempsey	Heir	Lynch	Seaberg	Welker
Frederick	Hufnagle	Macklin	Smith	

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

Anderson, R., was excused while in conference.

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

RECESS

RECONVENED

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

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Anderson, I., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 1655, A bill for an act relating to taxation; authorizing the department of trade and economic development to issue obligations to finance construction of aircraft maintenance and repair facilities; providing tax credits for job creation; providing an exemption from sales tax for certain equipment and materials; authorizing establishment of tax increment financing districts in the cities of Duluth and Hibbing; authorizing the metropolitan airports commission to operate outside the metropolitan area; amending Minnesota Statutes 1990, sections 290.06, by adding a subdivision; and 473.608, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 297A; proposing coding for new law as Minnesota Statutes, chapter 116R.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“ARTICLE 1

AIRCRAFT MAINTENANCE AND ENGINE REPAIR FACILITIES: STATE FINANCING

Section 1. [116R.01] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] The definitions in this section apply to sections 1 to 16.

Subd. 2. [BONDS.] "Bonds" means the bonds authorized under section 2, subdivision 1, or bonds issued to refund these bonds, except for deficiency bonds.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of finance.

Subd. 4. [DEFICIENCY BONDS.] "Deficiency bonds" means the bonds authorized under section 13, subdivision 3, or bonds issued to refund these bonds.

Sec. 2. [116R.02] [BOND ISSUE; SALE AUTHORIZATION.]

Subdivision 1. [SALE AUTHORIZATION.] The commissioner of finance, upon the request of the commissioner of trade and economic development, may issue and sell revenue bonds as provided under sections 1 to 15 in one or more series or issues for the purposes provided in this section in the aggregate principal amount of up to \$350,000,000. Proceeds of the bonds and investment income on the proceeds are appropriated in the amounts and for the purposes specified in subdivisions 5 and 6 and section 4.

Subd. 2. [LOAN, LEASE, AND REVENUE AGREEMENTS.] (a) The commissioner may make loans or enter into lease agreements or other revenue agreements for the facilities described in subdivisions 5 and 6. The commissioner may provide for servicing of the loans and agreements, the times they are payable and the amounts of payments, the amount of the loans and agreements, their security, and other terms, conditions, and provisions necessary or convenient in connection with them and may enter into all necessary contracts and security instruments in connection with them. The commissioner shall seek to obtain the best available security for the loans or agreements. The facilities described in subdivisions 5 and 6 may be pledged as collateral for the loans made and bonds issued under sections 1 to 15.

(b) In addition to the covenants and agreements otherwise required or negotiated by the commissioner, the leases and revenue agreements for the properties must contain covenants and agreements by the airline corporation, and if the user is not the airline corporation, also by the airline corporation, satisfactory to the commissioner providing security for payment of rents so that the net unencumbered value of the leased property described in subdivisions 5 and 6, and other collateral pledged to the commissioner from time to time by the airline corporation, as independently appraised at the time of issuance and periodically to the satisfaction of the commissioner during the term of the general obligation revenue bonds, is at least 125 percent of the present value of the net lease

payments as determined by the commissioner. The leased property may be appraised at original cost less depreciation upon approval of the commissioner.

Subd. 3. [APPLICATION; DATA PRACTICES.] (a) An applicant may file a written application with the commissioner of trade and economic development for a loan or lease agreement or other revenue agreement for the aircraft facilities described in subdivisions 5 and 6. The commissioner of trade and economic development shall exercise due diligence in the review and approval of each application. In general, an application must provide information similar to that required by an investment banking or other financial institution considering a project for debt financing. The applicant shall submit a report prepared by a nationally recognized consultant familiar with the airline industry and its financing to the commissioner of trade and economic development and the commissioner of finance with the written application. The report must project the available revenues of the lessees of the facilities described in subdivisions 5 and 6 that are at least sufficient during each year of the term of the proposed applicable bonds to pay when due all financial obligations of the lessees under the leases. The report must include the factors on which the projection is based.

(b) Except as otherwise provided in this subdivision, the following data required under sections 1 to 15 or submitted in connection with the application or any agreement authorized under this act is nonpublic data: business plans, financial statements, customer lists, and market and feasibility studies paid for with nonpublic money. The commissioner or the commissioner of trade and economic development may make the data accessible to any person, agency, or public entity if the commissioner or the commissioner of trade and economic development determines that access is required under state or federal securities law or is necessary for the person, agency, or public entity to perform due diligence in connection with the provision of financial assistance to the facilities described in subdivisions 5 and 6.

Subd. 4. [SECURITY.] (a) If so provided in the commissioner's order or any indenture authorizing the applicable series of bonds, up to \$125,000,000 principal amount of bonds for the facility described in subdivision 5 and up to \$50,000,000 principal amount of bonds for the facility described in subdivision 6 may be secured by either of the following methods:

(1) upon the occurrence of any deficiency in a debt service reserve fund for a series of bonds as provided in section 13, subdivision 3, the commissioner shall issue and sell deficiency bonds in a principal amount not to exceed (i) the lesser of \$125,000,000 or the outstanding principal amount of the bonds secured by the debt service reserve fund for facilities described in subdivision 5 and (ii) the lesser of \$50,000,000 or the outstanding principal amount of the

bonds secured by the debt service fund for the facilities described in subdivision 6; or

(2) the bonds may be directly secured by a pledge of the full faith, credit, and taxing power of the state and issued as general obligation revenue bonds of the state in accordance with the Minnesota Constitution, article XI, sections 4 to 7.

Deficiency bonds and bonds issued under clause (2) must be issued in accordance with and subject to sections 16A.641, 16A.66, 16A.672, and 16A.675, except for section 16A.641, subdivision 5, and except that the bonds may be sold at public or private sale at a price or prices determined by the commissioner as provided in section 13, subdivision 3.

(b) At the request of the commissioner, St. Louis county shall by resolution of its county board, unconditionally and irrevocably pledge as a general obligation, its full faith, credit, and taxing power to pay or secure payment of principal and interest due on up to \$12,600,000 principal amount of revenue bonds for the facility described in subdivision 5 and principal and interest due on up to \$15,000,000 principal amount of revenue bonds for the facility described in subdivision 6. The general obligation and pledge of St. Louis county are not subject to and shall not be taken into account for purposes of any debt limitation. A levy of taxes for the St. Louis county general obligation is not subject to and shall not be taken into account for purposes of any levy limitations. The general obligation and the bonds secured by the general obligation may be issued without an election. Except for sections 475.61 and 475.64, chapter 475 does not apply to the general obligation.

(c) Bonds and deficiency bonds issued under sections 1 to 15 and any indenture entered into in connection with the issuance of the bonds are not subject to section 16B.06.

Subd. 5. [USE OF PROCEEDS; AIRCRAFT MAINTENANCE FACILITY.] The proceeds of the bonds issued in a principal amount not to exceed \$250,000,000 must be used to finance the costs related to the planning, construction, improvement, or equipping of a heavy maintenance facility for aircraft and facilities subordinate and related to the facility to be located at the Duluth international airport and any costs of issuance, reserves, credit enhancement, or an initial period of interest payments related to the bonds or the facility. The facility must be owned by the metropolitan airports commission and leased for the benefit of an airline company for use as a heavy maintenance base. With the approval of the commissioner, the owner of the facility may place a mortgage or security interest lien on the facility or any interest in or part of the facility. The mortgage is exempt from the mortgage registry tax imposed under chapter 287. In the event of a default under the loan, lease agreement, or other revenue agreement, the facility, or any part of

the facility, may be leased to another person for any lawful purpose or sold, subject to the approval of the commissioner.

Subd. 6. [USE OF PROCEEDS; AIRCRAFT ENGINE REPAIR FACILITY.] The proceeds of the bonds issued in a principal amount not to exceed \$100,000,000 must be used to finance the costs related to the planning, construction, improvement, or equipping of an aircraft engine repair facility and facilities subordinate and related to the facility to be located at the Chisholm-Hibbing municipal airport in the city of Hibbing and any costs of issuance, reserves, credit enhancement, or an initial period of interest payments related to the bonds or the facility. The facility must be owned by the owner of the Chisholm-Hibbing municipal airport, but may be leased, with or without a purchase option exercisable at any price, to any person for the primary purpose of repairing aircraft engines or components. With the approval of the commissioner, the owner of the facility may place a mortgage or security interest lien on the facility. The mortgage is exempt from the mortgage registry tax imposed under chapter 287. In the event of a default under the loan, lease agreement, or other revenue agreement, the facility may be leased to another person for any lawful purpose or sold, subject to the approval of the commissioner.

Subd. 7. [ENVIRONMENTAL ASSESSMENT.] Notwithstanding any other law or rule, no environmental review must be completed prior to the approval of an application and the issuance of a conditional commitment for the loan, or the taking of any other action permitted by sections 1 to 15, including the issuance of bonds, which is considered necessary or desirable by the commissioner to prepare for a final commitment and to make it effective. Environmental review, to the extent required by law, shall be made in conjunction with the issuance by state agencies of environmental permits for the project. Permits may be applied for prior to the issuance of a conditional commitment. Action shall be taken as expeditiously as possible on environmental review and all permits required.

Sec. 3. [116R.03] [GENERAL POWERS.]

For the purpose of exercising the specific powers authorized under sections 1 to 15 and effectuating the other purposes of sections 1 to 15, the commissioner may:

(1) acquire, hold, pledge, assign, or dispose of real or personal property or any interest in property, including a mortgage or security interest in a facility described in section 2, subdivision 5 or 6;

(2) enter into agreements, contracts, or other transactions with any federal or state agency, any person and any domestic or foreign partnership, corporation, association, or organization, including

contracts or agreements for administration and implementation of all or part of sections 1 to 15;

(3) acquire real property, or an interest therein, by purchase or foreclosure, where the acquisition is necessary or appropriate;

(4) enter into agreements with lenders, borrowers, or the issuers of securities for the purpose of regulating the development and management of any facility financed in whole or in part by the proceeds of bonds or loans;

(5) enter into agreements with other appropriate federal, state, or local governmental units; and

(6) contract with, use, or employ any federal, state, regional, or local public or private agency or organization, legal counsel, financial advisors, investment bankers or others, upon terms the commissioner considers necessary or desirable, to assist in the exercise of any of the powers authorized under sections 1 to 15 and to carry out the objectives of sections 1 to 15 and may pay for the services from bond proceeds or otherwise available department money.

Sec. 4. [116R.04] [REVENUE BONDS; PURPOSES, TERMS, APPROVAL.]

Subdivision 1. [BONDS.] The commissioner from time to time may issue negotiable bonds in one or more series or issues in a principal amount which, in the opinion of the commissioner of trade and economic development, is necessary to provide sufficient funds for achieving the purposes of sections 1 to 15, including the construction of a heavy maintenance facility for aircraft to be located at the Duluth international airport, the financing of an aircraft engine repair facility in the city of Hibbing, the payment of interest on bonds of the commissioner, the establishment of reserves to secure the bonds, and the payment of all other expenditures of the commissioner and the owner of a financed facility incident to and necessary or convenient to carry out the purposes and powers of sections 1 to 15. The bonds may be issued as bonds or notes or in any other form authorized by law. Except as provided in section 2, subdivision 4, paragraph (a), sections 16A.31 to 16A.675 do not apply to the bonds authorized under section 2.

Subd. 2. [REFUNDING OF BONDS.] The commissioner from time to time may issue bonds for the purpose of refunding any bonds then outstanding, including the payment of any redemption premiums thereon, any interest accrued or to accrue to the redemption date, and costs related to the issuance and sale of the bonds. The proceeds of any refunding bonds may, in the discretion of the commissioner, be applied to the purchase or payment at maturity of the bonds to be refunded, to the redemption of such outstanding bonds on any redemption date, or to pay interest on the refunding bonds and may,

pending such application, be placed in escrow to be applied to such purchase, payment, retirement, or redemption. Any such escrowed proceeds, pending such use, may be invested and reinvested in obligations that are permitted investments under section 11A.24. The income earned or realized on any such investment may also be applied to the payment of the bonds to be refunded, interest or premiums on the refunded bonds, or to pay interest on the refunding bonds. After the terms of the escrow have been fully satisfied, any balance of such proceeds and any investment income may be returned to the general fund or, if applicable, the state bond fund, for use in any lawful manner. All refunding bonds issued under the provisions of this subdivision must be issued and secured in the manner provided by order of the commissioner, provided that any refunding bonds may be secured in any manner by which the refunded bonds were secured and payable from any source from which the refunded bonds were secured.

Subd. 3. [KIND OF BONDS.] All bonds issued under this section must be issued in the form and manner provided in section 16A.672.

Subd. 4. [COMPLIANCE WITH FEDERAL LAW.] The commissioner may covenant and agree with the holders of the bonds issued under this section that the state will comply, insofar as possible, with the provisions of the United States Internal Revenue Code now or hereafter enacted that are applicable to the bonds and that establish conditions under which the interest to be paid on the bonds will not be includable in gross income for federal tax purposes.

Subd. 5. [TAXABILITY OF INTEREST.] Interest on the bonds authorized by this section may be issued without regard to whether the interest to be paid on them is includable in gross income for federal tax purposes.

Sec. 5. [116R.05] [BONDS; ORDERS AUTHORIZING, ADDITIONAL TERMS, SALE.]

Subdivision 1. [TERMS.] The bonds must be authorized by an order or orders of the commissioner, bear such date or dates, mature at such time or times, bear interest at such rate or rates, be in such denominations, be in such form, carry such registration privileges, be executed in such manner, be payable in lawful money of the United States, at such place or places within or without the state, and be subject to such terms of redemption or purchase prior to maturity as the order or orders may provide, or as may be provided in any indenture or indentures of trust. If, for any reason, whether existing at the date of issue of any bonds or at the date of making or purchasing any loan or securities from the proceeds or after that date, the interest on any bonds is or becomes subject to federal income taxation, this shall not impair or affect the validity or the provisions made for the security of the bonds. The bonds may be sold at public or private sale at a price or prices determined by the

commissioner. The underwriting discount, spread, or commission paid or allowed to the underwriters of the bonds, however, must be an amount not in excess of the amount determined by the commissioner to be reasonable in the light of the risk assumed and the expenses of issuance, if any, required to be paid by the underwriters or prevailing market conditions and practices.

Subd. 2. [SOURCES OF PAYMENT.] Except as otherwise provided for bonds issued under section 4, subdivision 2, the bonds are payable solely from the following sources and only to the extent provided in the order or indenture authorizing or securing the bonds:

(1) revenues of any nature derived from the ownership, lease, operation, sale, foreclosure, or refinancing of a facility described in section 2, subdivision 5 or 6;

(2) repayments of any loans made under sections 1 to 15;

(3) proceeds of any bonds or deficiency bonds;

(4) amounts in any account or accounts authorized by section 11 or 12;

(5) amounts paid by St. Louis county under its obligations referred to in section 2, subdivision 4;

(6) investment income on any of the sources specified in clauses (1) to (7);

(7) amounts payable under any insurance policy, guaranty, letter of credit, or other instrument securing the bonds; and

(8) any other revenues which the commissioner may pledge or appropriate not prohibited by law or the Minnesota Constitution.

Subd. 3. [NOT A STATE DEBT.] Except as provided in section 2, subdivision 4, paragraph (a), no bond shall constitute a debt of the state within the meaning of any statutory or constitutional limitation or pledge the full faith and credit of the state, and no holder of any bonds may compel any exercise of the taxing power of the state to pay principal, premiums, or interest for the bonds, nor to enforce payment of principal, premiums, or interest against any property of the state, except for property expressly pledged, mortgaged, encumbered, or appropriated for this purpose.

Sec. 6. [116R.06] [BONDS; OPTIONAL ORDER AND CONTRACT PROVISIONS.]

Any order authorizing any bonds or any issue of bonds or any indenture may contain provisions, which may be a part of the contract with the holders of the bonds, as to the matters referred to in this section.

(a) It may pledge or create a lien on money or property and any money held in trust or otherwise by others to secure the payment of the bonds or of any series or issue of bonds, subject to any agreements with bondholders which exist.

(b) It may provide for the custody, collection, securing, investment, and payment of money.

(c) It may set aside reserves or sinking funds and provide for their regulation and disposition and may create other special funds into which money may be deposited.

(d) It may limit the loans and securities to which the proceeds of sale of bonds may be applied and may pledge repayments thereon to secure the payment of the notes or bonds or of any series or issue of notes or bonds.

(e) It may limit the issuance of additional bonds, the terms upon which additional bonds may be issued and secured, and the refunding of outstanding or other bonds.

(f) It may prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent to the amendment or abrogation, and the manner in which that consent may be given.

(g) It may vest in a trustee or trustees property, rights, powers, and duties in trust determined by the commissioner, which may include any or all of the rights, powers, and duties of the bondholders, or may limit the rights, powers, and duties of the trustee. It may make contracts with a trustee or trustees authorizing the trustee or trustees to invest in investments that may be invested in by the state board of investment under section 11A.24, and apply, or dispose of and use money in any account.

(h) It may define the acts or omissions to act which constitute a default in the obligations and duties of the commissioner and may provide for the rights and remedies of the holders of bonds in the event of a default, and provide any other matters of like or different character, consistent with the general laws of the state and other provisions of sections 1 to 15, which in any way affect the security or protection of the bonds and the rights of the bondholders.

Sec. 7. [116R.07] [PLEDGES.]

Any pledge made by the commissioner is valid and binding from the time the pledge is made. The money or property pledged and later received by the commissioner is immediately subject to the lien of the pledge without any physical delivery of the property or money or further act, and the lien of any pledge is valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the commissioner, whether or not those parties have notice of the lien or pledge. Neither the order nor any other instrument by which a pledge is created need be recorded.

Sec. 8. [116R.08] [BONDS; NONLIABILITY OF INDIVIDUALS.]

The commissioner and the commissioner's staff and any person executing the bonds are not personally liable on the bonds or subject to any personal liability or accountability by reason of their issuance.

Sec. 9. [116R.09] [BONDS; PURCHASE AND CANCELLATION.]

The commissioner, subject to agreements with bondholders which may then exist, has power out of any funds available for the purpose to purchase bonds of the commissioner at a price not exceeding (a) if the bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment date thereon, or (b) if the bonds are not redeemable, the redemption price applicable on the first date after the purchase upon which the bonds become subject to redemption plus accrued interest to that date.

Sec. 10. [116R.10] [STATE PLEDGE AGAINST IMPAIRMENT OF CONTRACTS.]

The state pledges and agrees with the holders of any bonds issued under sections 1 to 15, that the state will not limit or alter the rights vested in the commissioner to fulfill the terms of any agreements made with the bondholders, or in any way impair the rights and remedies of the holders until the bonds, together with interest on them, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the bondholders, are fully met and discharged. The commissioner may include this pledge and agreement of the state in any agreement with the holders of bonds issued under sections 1 to 15.

Sec. 11. [116R.11] [AIRCRAFT FACILITIES FUNDS AND DEBT SERVICE ACCOUNTS.]

Subdivision 1. [FUNDS.] The commissioner or any trustee appointed by the commissioner under sections 1 to 15 shall establish and maintain an aircraft facilities fund for each of the facilities described in section 2, subdivisions 5 and 6. Except for amounts

required by the commissioner to be deposited in a debt service account, proceeds of each issue of bonds authorized under section 2, subdivision 1, must be deposited in a separate account, debt service reserve, or other account designated by the commissioner. The owner of each facility described in section 2, subdivisions 5 and 6, may withdraw proceeds of bonds for application to the appropriated purposes in the manner provided by order of the commissioner or in any indenture authorized by order of the commissioner. The commissioner may establish whatever accounts might be necessary to carry out sections 1 to 15.

Subd. 2. [ACCOUNTS.] The state treasurer or any trustee appointed by the commissioner under sections 1 to 15 shall maintain permanently on official books and records debt service accounts separate from all other funds and accounts, to record all receipts and disbursements of money for principal and interest payments on each series of bonds authorized under section 2, subdivision 1. No later than the due date of each principal and interest payment on the bonds, the commissioner shall withdraw from the proceeds of the bonds, or from revenues on hand and available for the purpose, and shall deposit in the debt service accounts the amount, if any, required in the account by the order of the commissioner or any indenture authorized by an order of the commissioner. All amounts in any debt service account are appropriated for the payment of principal, premiums, and interest for the bonds to which the account relates.

Sec. 12. [116R.12] [POWERS AND DUTIES OF TRUSTEE.]

Subdivision 1. [GENERAL.] The trustee, if any, designated in any indenture or order securing an issue of bonds may, in the trustee's own name, if so provided in the indenture or order:

(1) enforce all rights of the bondholders, including the right to require the commissioner to collect fees, charges, interest, and payments on leases, loans, or interests therein held by the commissioner and eligible securities purchased by it adequate to carry out any agreement as to, or pledge of, those fees, charges, and payments, and to require the commissioner to carry out any other agreements with the holders of the bonds and to perform the duties required under sections 1 to 15;

(2) bring suit upon the bonds;

(3) require the commissioner to account as if it were the trustee of any express trust for the holders of the bonds;

(4) enjoin any acts or things which may be unlawful or in violation of the rights of holders of the bonds; or

(5) upon a default as defined in any bond, order, or indenture, declare all the bonds due and payable, enforce any remedy available under law, and if all defaults are made good, the trustee may annul the declaration and consequences.

Subd. 2. [ADDITIONAL POWERS.] In addition to the powers in subdivision 1, the trustee has all of the powers necessary or appropriate for the exercise of any functions specifically set forth in this section or incident to the general representation of bondholders in the enforcement and protection of their rights.

Subd. 3. [VENUE.] The venue of any action or proceedings brought by a trustee is in Ramsey county.

Sec. 13. [116R.13] [DEBT SERVICE RESERVE ACCOUNT.]

Subdivision 1. [AUTHORITY.] The commissioner or a trustee appointed by the commissioner may create, maintain, and establish a special account or accounts for the security of one or more or all series of the bonds, which accounts are known as debt service reserve accounts. The commissioner may pay into each debt service reserve account:

(1) any money appropriated by the state only for the purposes of that account;

(2) any proceeds of sale of bonds to the extent provided in the order or indenture authorizing their issuance;

(3) any money directed to be transferred by the commissioner to that debt service reserve account; and

(4) any other money made available to the commissioner for the purpose of that account from any other source.

Subd. 2. [USE OF MONEY.] The money held in or credited to each debt service reserve account, except as provided in this section, must be used solely for the payment of the principal of bonds of the commissioner as the bonds mature or otherwise become due, the purchase of the bonds, the payment of interest on the bonds, the payment of any premium required when the bonds are redeemed before maturity, or any rebate amounts owing to the United States government in accordance with any applicable covenant to comply with federal tax laws; provided, that money in a debt service reserve account may not be withdrawn at any time in an amount which would reduce the amount of the account to less than any amount which the commissioner determines to be reasonably necessary for the purposes of the account, except for the purpose of paying principal, premium, or interest due on bonds secured by the account, for the payment of which other money is not available.

Subd. 3. [GENERAL OBLIGATION BONDS.] (a) If the amount in any debt service reserve account falls below the minimum required in an order of the commissioner or indenture for the applicable series of bonds and the order or indenture so provides, the commissioner shall issue as promptly as practicable, but in no event later than six months after the occurrence of the deficiency, general obligation bonds in accordance with the Minnesota Constitution, article XI, section 7, and section 2, subdivision 4; section 16A.641, subdivisions 1 to 4 and 6 to 13; section 16A.66, section 16A.672; and section 16A.675, except as otherwise provided in this section and unless provision is made for restoring the deficiency from other sources. Section 16A.641, subdivision 5, does not apply to the issuance of bonds authorized under this subdivision. Proceeds of the bonds not required for payment of costs related to the issuance of the bonds must be deposited in the debt service reserve account, except that accrued interest must be deposited as provided in section 16A.641, subdivision 7, paragraph (b).

(b) The underwriting discount, spread, or commission paid or allowed to the underwriters or placement agents of deficiency bonds and bonds described in section 2, subdivision 4, paragraph (a), must be an amount not in excess of the amount determined by the commissioner to be reasonable in light of the risk assumed and the expense of issuance, if any, required to be paid by the underwriters, placement agents, or prevailing market conditions and practices.

Subd. 4. [LIMITATION.] If the commissioner creates a debt service reserve account for the security of any series of bonds, the commissioner may not issue any additional bonds which are similarly secured if the amount of any of the debt service reserve accounts at the time of issuance does not equal or exceed the minimum amount, if any, required by the resolution creating that account, unless the commissioner deposits in each account at the time of issuance, from the proceeds of the bonds or otherwise, an amount which, together with the amount then in the account, will not be less than the minimum amount required.

Subd. 5. [EXCESS MONEY.] To the extent consistent with the orders and indentures securing outstanding bonds, the commissioner may, at the close of any fiscal year, transfer to any other account from any debt service reserve account, any excess in that account over the amount considered by the commissioner to be reasonably necessary for the purpose of the account.

Subd. 6. [CONSTRUCTION.] Nothing in this section may be construed to limit the right of the commissioner to create and establish by order or indenture other accounts or security in addition to debt service reserve accounts which are necessary or desirable in connection with any bonds or programs.

Sec. 14. [116R.14] [CONSTRUCTION.]

Sections 1 to 15 are necessary for the welfare of the state of Minnesota and its inhabitants; therefore, they shall be liberally construed to effect their purpose.

Sec. 15. [116R.15] [SEVERABILITY; ACTIONS.]

Each of the provisions of sections 1 to 15, and each application thereof to particular circumstances, is severable. If any provision or application is found to be unconstitutional and void, it is the intention that the remaining provisions and applications shall be valid and enforceable to the full extent possible under section 645.20.

Sec. 16. [116R.16] [TECHNICAL ADVISORY COMMITTEE.]

Subdivision 1. [MEMBERSHIP.] The commissioner of trade and economic development shall establish a technical advisory committee. For the facilities described in section 2, subdivisions 5 and 6, the advisory committee shall provide project oversight to the affected jurisdictions regarding project status, effectiveness, and financial conditions. The advisory committee consists of the following members:

(1) a representative of the department of trade and economic development appointed by the commissioner to act as chair of the advisory committee;

(2) a representative of the metropolitan airports commission appointed by the metropolitan airports commission;

(3) a representative of the city of Duluth appointed by the mayor of Duluth;

(4) a representative of St. Louis county appointed by the St. Louis county board of commissioners;

(5) a representative of the city of Hibbing appointed by the mayor of Hibbing; and

(6) a representative of the city of Chisholm appointed by the mayor of Chisholm.

Subd. 2. [TERMS.] The membership terms, removal, and filling of vacancies is as provided in section 15.059.

Subd. 3. [DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT DUTIES.] The commissioner of trade and economic development shall monitor, evaluate, and prepare reports on the progress and financial status of the facilities described in section 2, subdivisions 5 and 6; convene meetings of the advisory committee on

a quarterly basis; and provide information and assistance to the advisory committee as is reasonably necessary.

Subd. 4. [REPORTS.] The commissioner of trade and economic development shall submit an annual report to the legislature by January 1 of each year and provide other reports to the individually represented jurisdictions as appropriate.

Sec. 17. Minnesota Statutes 1990, section 290.06, is amended by adding a subdivision to read:

Subd. 24. [CREDIT FOR JOB CREATION.] A corporation that leases and operates a heavy maintenance base for aircraft that is owned by the state of Minnesota or one of its political subdivisions, or an engine repair facility described in section 2, subdivision 6, or both, may take a credit against the tax due under this chapter. For the first taxable year when the facility has been in operation for at least three consecutive months, the credit is equal to \$5,000 multiplied by the number of persons employed by the corporation on a full-time basis at the facility on the last day of the taxable year, not to exceed the number of persons employed by the corporation on a full-time basis at the facility on the date 90 days before the last day of the taxable year. For each of the succeeding four taxable years, the credit is equal to \$5,000 multiplied by the number of persons employed by the corporation on a full-time basis at the facility on the last day of the taxable year, not to exceed the number of persons employed by the corporation on a full-time basis at the facility on the date 90 days before the last day of the taxable year. If the credit provided under this subdivision exceeds the tax liability of the corporation for the taxable year, the excess amount of the credit may be carried over to each of the ten taxable years succeeding the taxable year. The entire amount of the credit must be carried to the earliest taxable year to which the amount may be carried. The unused portion of the credit must be carried to the following taxable year. No credit may be carried to a taxable year more than ten years after the taxable year in which the credit was earned.

Sec. 18. [297A.2571] [AIRCRAFT FACILITY MATERIALS; EX-EMPTIONS.]

Materials, equipment, and supplies used or consumed in constructing, or incorporated into the construction of, a heavy maintenance facility for aircraft that is to be owned by the state of Minnesota or one of its political subdivisions and leased by an airline company, or an aircraft engine repair facility described in section 2, subdivision 6, are exempt from the taxes imposed under this chapter and from any sales and use tax imposed by a local unit of government, notwithstanding any ordinance or city charter provision. Except for equipment owned or leased by a contractor, all machinery, equipment, tools, accessories, appliances, contrivances, furniture, fixtures, and all tangible personal property of any other

nature or description necessary to the construction and equipping of that facility in order to provide those services is also exempt.

Sec. 19. Minnesota Statutes 1990, section 360.013, subdivision 5, is amended to read:

Subd. 5. "Airport" means any area, of land or water, except a restricted landing area, which is designed for the landing and takeoff of aircraft, whether or not facilities are provided for the shelter, surfacing, or repair of aircraft, or for receiving or discharging passengers or cargo, and all appurtenant areas used or suitable for airport buildings or other airport facilities, including facilities described in section 2, subdivision 6, and all appurtenant rights of way, whether heretofore or hereafter established.

Sec. 20. Minnesota Statutes 1990, section 360.032, subdivision 1, is amended to read:

Subdivision 1. [ACQUISITION.] Every municipality is hereby authorized, through its governing body, to acquire property, real or personal, for the purpose of establishing, constructing, and enlarging airports and other air navigation facilities and to acquire, establish, construct, enlarge, improve, maintain, equip, operate, and regulate such airports and other air navigation facilities and structures and other property incidental to their operation, either within or without the territorial limits of such municipality and within or without this state; to make, prior to any such acquisition, investigations, surveys, and plans; to construct, install, and maintain airport facilities for the servicing and repair of aircraft and facilities authorized under section 2, subdivision 6, and for the comfort and accommodation of air travelers; and to purchase and sell equipment and supplies as an incident to the operation of its airport properties. It may not acquire, or take over any airport or other air navigation facility owned or controlled by any other municipality of the state without the consent of such municipality. It may use for airport purposes any available property that is now or may at any time hereafter be owned or controlled by it. Such air navigation facilities as are established on airports shall be supplementary to and coordinated in design and operation with those established and operated by the federal and state governments. It may assist other municipalities in the construction of approach roads leading to any airport or restricted landing area owned or controlled by it.

Sec. 21. Minnesota Statutes 1990, section 360.038, subdivision 4, is amended to read:

Subd. 4. [LEASED PROPERTY.] To lease for a term not exceeding 30 years such airports or other air navigation facilities or facilities authorized under section 2, subdivision 2, or real property acquired or set apart for airport purposes, to private parties, any municipal or state government or the national government, or any department of

either thereof, for operation; to lease or assign for a term not exceeding 99 years to private parties, any municipal or state government, or the national government, or any department of either thereof, for operation or use consistent with the purposes of sections 360.011 to 360.076, space, area, improvements, or equipment on such airports; notwithstanding any other provisions in this subdivision, to lease ground area for a term not exceeding 99 years to private persons for the construction of structures which in its opinion are essential and necessary to serve aircraft, persons and things engaged in or incidental to aeronautics, including but not limited to shops, hangars, offices, restaurants, hotels, motels, factories, storage space, and any and all other structures necessary or essential to and consistent with the purposes of sections 360.011 to 360.076, to sell any part of such airports, other air navigation facilities, or real property to any municipal or state government, or to the United States or any department or instrumentality thereof, for aeronautical purposes incidental thereto, and to confer the privileges of concessions of supplying upon its airports goods, commodities, things, services, and facilities; provided that in each case in so doing the public is not deprived of its rightful, equal, and uniform use thereof.

Sec. 22. Minnesota Statutes 1990, section 473.608, subdivision 1, is amended to read:

Subdivision 1. The corporation, subject to the conditions and limitations prescribed by law, shall possess all the powers as a body corporate necessary and convenient to accomplish the objects and perform the duties prescribed by sections 473.601 to 473.679, including but not limited to those hereinafter specified. These powers, except as limited by section 473.622, may be exercised at any place within 35 miles of the city hall of either Minneapolis or St. Paul, and in the metropolitan area, and in the city of Duluth for the purpose of owning, leasing, constructing, equipping, operating, borrowing money from the state for, or otherwise financing the facility described in section 2, subdivision 5.

A state loan to finance the facility described in section 2, subdivision 5, must be made on terms and conditions as the commissioner of finance, the commissioner of trade and economic development, and the commission determine to be appropriate. The state loan is not subject to and may not be counted against any limitation on the principal amount of revenue bonds or general obligation revenue bonds that the commission may issue under sections 473.601 to 473.679.

Sec. 23. [CITY OF DULUTH; TAX INCREMENT FINANCING DISTRICT.]

Subdivision 1. [AUTHORIZATION.] The city of Duluth may create a tax increment financing district, as provided in this

subdivision, on property located at the Duluth international airport. Except as provided otherwise in this section, the provisions of Minnesota Statutes, sections 469.174 to 469.179, shall apply to the district. The district shall consist of parcels on which the facility described in section 2, subdivision 5, is proposed to be located. The city or any of its authorities or agencies listed in Minnesota Statutes, section 469.174, subdivision 2, may be the "authority" for purposes of Minnesota Statutes, sections 469.174 to 469.179.

The authority or agency being utilized for this tax increment financing district, shall be expanded by two members. The additional two members shall be elected county commissioners from the city of Duluth and appointed by the St. Louis county board for terms as designated by the county board.

Subd. 2. [CHARACTERISTICS OF THE DISTRICT.] (a) The district shall be a redevelopment district as defined in Minnesota Statutes, section 469.174, subdivision 10, except that the durational limit under Minnesota Statutes, section 469.176, subdivision 1, paragraph (e), shall be extended to 30 years.

(b) Notwithstanding Minnesota Statutes, section 469.176, subdivision 4j, the revenue derived from tax increments from this district and money in any of the funds specified in section 54(a) of the Duluth City Charter that are pledged by the governing body of the city of Duluth for this purpose must be used to pay debt service on the obligations or debt incurred to finance any portion of the facilities described in section 2, subdivision 5, in a principal amount not to exceed \$47,600,000.

(c) The provisions of Minnesota Statutes, section 273.1399, do not apply to the district.

Sec. 24. [CITY OF HIBBING; TAX INCREMENT FINANCING DISTRICT.]

Subdivision 1. [AUTHORIZATION.] (a) The city of Hibbing may create a tax increment financing district, as provided in this subdivision, on property located in the city of Hibbing. Except as provided otherwise in this section, the provisions of Minnesota Statutes, sections 469.174 to 469.179, shall apply to the district. The district shall consist of parcels on which the facility described in section 2, subdivision 6, is proposed to be located and with the approval of the St. Louis county board, any other adjoining areas into which expansion of the facility or development caused by the facility may be expected to occur. The city or any of its authorities or agencies listed in Minnesota Statutes, section 469.174, subdivision 2, may be the "authority" for purposes of Minnesota Statutes, sections 469.174 to 469.179.

The authority or agency being utilized for this tax increment

financing district, shall be expanded by two members. The additional two members shall be elected county commissioners from the taconite tax relief area as defined in Minnesota Statutes, section 273.134, and appointed by the St. Louis county board for terms as designated by the county board.

(b) By resolution of the governing bodies of St. Louis county and the city of Chisholm and without an election, either or both St. Louis county and the city of Chisholm may treat an obligation or any portion thereof, of the city of Hibbing issued under Minnesota Statutes, section 469.178, subdivision 2, as a general obligation of St. Louis county or the city of Chisholm, by unconditionally and irrevocably pledging their full faith and credit and taxing power. Except for Minnesota Statutes, sections 475.61 and 475.64, the pledge is not subject to Minnesota Statutes, chapter 475. The obligations, the pledge of St. Louis county, and the pledge of the city of Chisholm are not subject to and shall not be taken into account for purposes of any debt limitation. A levy of taxes for the obligations is not subject to and shall not be taken into account for purposes of any levy limitations. The obligations may be sold at public or private sale.

Subd. 2. [CHARACTERISTICS OF THE DISTRICT.] (a) The district shall be a redevelopment district as defined in Minnesota Statutes, section 469.174, subdivision 10, except that the durational limit under Minnesota Statutes, section 469.176, subdivision 1, paragraph (e), shall be extended to 30 years.

(b) Notwithstanding Minnesota Statutes, section 469.176, subdivision 4j, the revenue derived from tax increments from this district and the proceeds of obligations secured by or payable from the tax increments, after reduction for costs of issuance, reserves, and capitalized interest, must be used to pay debt service on the obligations or debt incurred to finance any portion of the facilities described in section 2, subdivision 6.

(c) The provisions of Minnesota Statutes, section 273.1399, do not apply to the district.

Sec. 25. [PURPOSE.]

The purpose of sections 1 to 15 is to foster long-term economic growth and job creation by financing an aircraft maintenance facility and an aircraft engine repair facility, to encourage and facilitate the retention and expansion of airports and other air navigation facilities, airline corporations' facilities, operations and services in the state; to prevent the loss of jobs, and encourage and promote the creation of additional jobs in the state in the airline industry and in other businesses in the state served or affected by the airline industry; to promote the continued growth, and reduce the potential for and effects of a decline of economic activity in the

state; and to ensure the preservation, growth, and diversification of the tax base of the state. State bonds are authorized to be issued and the proceeds of their sale are appropriated under the authority of the Minnesota Constitution, article XI, section 5, clauses (a) and (g). In authorizing the financing of the aircraft facilities, the legislature is acting in all respects for the benefit of the people of the state of Minnesota to serve the public purpose of fostering economic development within the state.

Sec. 26. [EFFECTIVE DATE; LOCAL APPROVAL.]

Section 2, subdivision 4, paragraph (b), is effective on the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of St. Louis county. Section 17 is effective for taxable years beginning after December 31, 1991.

ARTICLE 2

METROPOLITAN AIRPORTS COMMISSION

Section 1. [473.602] [PUBLIC NECESSITY AND PURPOSE FOR ISSUANCE OF BONDS.]

In order to accomplish the public purposes set forth in section 473.602; to encourage and facilitate the retention and expansion of airline corporations' facilities, operations, and services in the metropolitan area and the state; to prevent the loss of jobs and encourage and promote the creation of additional jobs in the state in the airline industry and in other businesses in the state served or affected by the airline industry; to promote the continued growth, and reduce the potential for and effects of a decline of economic activity in the metropolitan area and the state; and to ensure the preservation, growth, and diversification of the tax base of the metropolitan area and the state; it is necessary and appropriate and in the public interest to authorize the commission to take the actions described in section 473.667, subdivision 11, and section 3.

Sec. 2. Minnesota Statutes 1990, section 473.667 is amended by adding a subdivision to read:

Subd. 11. [ADDITIONAL BONDS.] (a) The commission may issue general obligation revenue bonds for the purposes of:

(1) acquiring by purchase real and personal properties located within the metropolitan area that are related to airline operations to be leased to airline corporations, or to other corporations affiliated by common ownership with airline corporations, for use in connection with their airline operations, including real and personal properties for use as flight training facilities; and

(2) financing or refinancing the costs of real and personal properties owned by the commission to be leased to airline corporations and used in connection with the operations of the airline corporations at airports under the commission's jurisdiction.

Prior to the issuance of the general obligation revenue bonds, the commission shall enter into a lease with the airline corporations, or with other corporations affiliated by common ownership with airline corporations, for the use of the acquired real and personal properties referenced in clause (1), and shall enter into a revenue agreement with the airline corporation for the use of the properties financed or refinanced referenced in clause (2).

(b) In addition to the covenants and agreements otherwise required or negotiated by the commission, the leases and revenue agreements for the properties must contain covenants and agreements by the airline corporation, and if the user is not the airline corporation, also by the airline corporation, satisfactory to the commission providing for:

(1) the payment of rents in amounts and at times adequate to pay the principal and interest as due on the general obligation revenue bonds issued to acquire, finance, or refinance the properties and to pay the commission's costs and expenses of issuing the bonds and acquiring and owning the properties, and otherwise satisfying the requirements of section 469.155, subdivision 5;

(2) the adequate security for payment of rents so that the net unencumbered value of the leased property described in paragraph (a), clause (1), and other collateral pledged to the commission from time to time by the airline corporation, as independently appraised at the time of issuance and periodically to the satisfaction of the commission during the term of the general obligation revenue bonds, is a percentage of the principal amount of the outstanding general obligation revenue bonds under this subdivision as determined by the commission; provided that the percentage determined by the commission is not less than 125 percent;

(3) the retention and location of employees, operations, domestic and international, and facilities, including headquarters, of the airline corporation in the metropolitan area and the state for periods that may exceed the term of the lease and aircraft noise abatement; and

(4) early repayment, or the establishment of a defeasance account to provide for timely repayment, of the general obligation revenue bonds upon the occurrence of events and upon terms and conditions as are satisfactory to the commission, together with financial requirements and covenants satisfactory to the commission.

(c) The purchase price of the acquired properties described in

paragraph (a), clause (1), must be in an amount equivalent to a percentage of its then fair market value as determined by the commission; provided that the percentage shall not exceed 85 percent. The portion of the general obligation revenue bonds attributable to the financing or refinancing of the property described in paragraph (a), clause (2), must be in an amount equivalent to a percentage of its then fair market value as determined by the commission; provided that the percentage shall not exceed 85 percent. The principal amount of the general obligation revenue bonds issued under this subdivision, including any debt service reserve account or other reserve account, is limited to \$270,000,000 in excess of the amount authorized by subdivision 2; provided that the sum of the original principal amounts of the general obligation revenue bonds issued under this subdivision, and the revenue bonds issued under section 3, shall not exceed \$390,000,000. Before the commission may issue the general obligation revenue bonds described in this subdivision, the commission shall have received, in form and substance satisfactory to the commission, reports described in section 3, subdivision 4, relating to the general obligation revenue bonds.

Sec. 3. [473.6671] [REVENUE BONDS.]

Subdivision 1. [AUTHORIZATION.] (a) The commission may issue revenue bonds for the purpose of:

(1) acquiring by purchase real and personal properties located within the metropolitan area that are related to airline operations to be leased to airline corporations, or to other corporations affiliated by common ownership with airline corporations, for use in connection with their airline operations, including real and personal properties for use as flight training facilities; and

(2) financing or refinancing the costs of real and personal properties owned by the commission to be leased to airline corporations and used in connection with the operations of the airline corporations at airports under the commission's jurisdiction.

Prior to the issuance of the revenue bonds, the commission shall enter into a lease with the airline corporations, or with other corporations affiliated by common ownership with airline corporations, for the use of such acquired real and personal properties referenced in clause (1), and shall enter into a revenue agreement with the airline corporation for the use of the properties financed or refinanced referenced in clause (2).

(b) In addition to the covenants and agreements otherwise required or negotiated by the commission, the leases and revenue agreements for the properties must contain covenants and agreements by the airline corporation, and if the user is not the airline

corporation, also by the airline corporation, satisfactory to the commission providing for:

(1) the payment of rents in amounts and at times adequate to pay the principal and interest as due on the revenue bonds issued to acquire, finance, or refinance the properties and to pay the commission's costs and expenses of issuing the bonds and acquiring and owning the properties, and otherwise satisfying the requirements of section 469.155, subdivision 5;

(2) the retention and location of employees, operations, domestic and international, and facilities, including headquarters, of the airline corporation in the metropolitan area and the state for periods that may exceed the term of the lease and aircraft noise abatement; and

(3) early repayment, or the establishment of a defeasance account to provide for timely repayment, of the general obligation revenue bonds upon the occurrence of events and upon terms and conditions as are satisfactory to the commission, together with financial requirements and covenants satisfactory to the commission.

(c) The sum of the original principal amounts of the revenue bonds issued under this subdivision, and the general obligation revenue bonds issued under section 473.667, subdivision 11, shall not exceed \$390,000,000. Except as provided in this section, the revenue bonds must be issued in the manner and are subject to the requirements of chapter 475; provided that compliance with the requirements of section 475.60 is at the discretion of the commission.

Subd. 2. [SECURITY AND SOURCE OF PAYMENT.] The revenue bonds described in subdivision 1 are payable solely from and secured by the revenues derived by the commission from the leases upon the properties described in subdivision 1, paragraph (a), clause (1), the revenue agreements upon the properties described in subdivision 1, paragraph (a), clause (2), and other revenues as the commission may designate and pledge which are derived from the ownership and operation of its airports, air navigation facilities and other facilities; provided that the pledge and application of all revenues to the payment and security of the revenue bonds are subject and subordinate to the first and prior charge thereon for the payment and security of the commission's general obligation revenue bonds as provided in section 473.667. The revenue bonds shall not be payable from or charged upon any funds or assets of the commission other than the commission revenues expressly pledged to their payment. An owner of the revenue bonds may not compel any exercise of the taxing power of the commission, the state, or any other taxing jurisdiction. Each bond must state in substance the limited nature of the obligations. The revenue bonds may be further secured by an assignment of leases with respect to the properties acquired, financed, or refinanced, and (i) with respect to the prop-

erties described in subdivision 1, paragraph (a), clause (1), by a mortgage and security agreement upon the properties and by other collateral as is pledged to secure the obligations of the airline corporation or other lessee under the leases on the properties, and (ii) with respect to the properties described in subdivision 1, paragraph (a), clause (2), by other collateral as is pledged to secure the obligations of the airline corporation under the revenue agreements. In the resolution or other instrument providing for the issuance of the revenue bonds, the commission may provide for or require the creation of accounts from sources specified by the commission. The sources may include a portion of the proceeds of the revenue bonds or payment by the airline corporation, for the payment and security of the revenue bonds, including a debt service reserve account, separate from the accounts maintained for payment of the general obligation revenue bonds. The leases described in subdivision 1, paragraph (a), clause (1), and the revenue agreements described in subdivision 1, paragraph (a), clause (2), must provide that if the commission determines to pledge any of its revenues to secure the revenue bonds, including revenues deposited into a debt service reserve account for the revenue bonds, the airline corporation concurrently shall pledge assets to the commission as security for repayment of the revenues so that the net unencumbered values of the pledged assets, as independently appraised at the time of issuance and periodically to the satisfaction of the commission during the term of the revenue bonds, is a percentage of the amount of commission revenues so pledged as determined by the commission; provided that the percentage shall not be less than 125 percent.

Subd. 3. [DUE DILIGENCE CONDITIONS.] Before the commission may issue the revenue bonds described in subdivision 1, the commission and the commissioner of finance must receive, in form and substance satisfactory to the commission:

(1) a report of audit of the commission's financial records for the fiscal year most recently ended or, if this is not yet available, a report for the preceding year, prepared by a nationally recognized firm of certified public accountants, showing that the net revenues received that year, computed as the gross receipts less any refunds of rates, fees, charges, and rentals for airport and air navigation facilities and service, and less the aggregate amount of current expenses, paid or accrued, of operation and maintenance of property and carrying on the commission's business and activities, equaled or exceeded the maximum amount of then outstanding bonds of the commission and interest thereon to become due in any future fiscal year;

(2) a written report prepared by a nationally recognized consultant on airport management and financing, projecting available revenues of the airline corporation at least sufficient during each year of the term of the proposed revenue bonds to pay when due all financial obligations of the airline corporation under the revenue

agreements and leases described in subdivision 1 and stating the factors on which the projection is based; and

(3) a written report prepared by a nationally recognized consultant on airport management and financing, projecting available revenues of the commission at least sufficient during each year of the term of the proposed revenue bonds to pay all principal and interest when due on the revenue bonds, and stating the estimates of air traffic, rate increases, inflation, and other factors on which the projection is based.

Sec. 4. Minnesota Statutes 1990, section 473.667, is amended by adding a subdivision to read:

Subd. 12. [BONDS FOR HEAVY MAINTENANCE FACILITY.] The commission may issue general obligation revenue bonds for the purpose of constructing a heavy maintenance facility for aircraft to be located at Minneapolis-St. Paul International Airport. The heavy maintenance facility must be owned by the commission and leased to and operated by airline corporations, for use by airline corporations in connection with their airline operations. The principal amount of the general obligation revenue bonds issued under this subdivision, including any debt service reserve account or any other reserve account, is limited to \$230,000,000 in excess of the amount authorized by subdivision 2.

Sec. 5. [473.680] [TAX INCREMENT FINANCING DISTRICT FOR HEAVY MAINTENANCE FACILITY.]

Subdivision 1. [AUTHORIZATION.] The commission may create a tax increment financing district as provided in this subdivision on property located at the Minneapolis-St. Paul International Airport. Except as otherwise provided in this section, the provisions of sections 469.174 to 469.179 apply to the district. The district shall consist of parcels on which the heavy maintenance facility described in section 473.667, subdivision 12, is proposed to be located. The commission is the "authority" for purposes of sections 469.174 to 469.179.

Subd. 2. [CHARACTERISTICS OF THE DISTRICT.] (a) The district shall be an economic development district as defined in section 469.174, subdivision 12.

(b) Notwithstanding section 469.176, subdivision 4c, the revenue derived from tax increment from the district may be used to pay debt service on general obligation revenue bonds issued by the commission under section 473.667, subdivision 12.

Sec. 6. [EFFECTIVE DATES; APPLICATION.]

Sections 1 to 4 are effective the day following final enactment and shall apply to bonds issued before December 31, 1991, and bonds issued to refund the bonds. This act applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Delete the title and insert:

"A bill for an act relating to taxation; authorizing the department of trade and economic development to issue obligations to finance construction of aircraft maintenance and repair facilities; providing tax credits for job creation; providing an exemption from sales tax for certain equipment and materials; authorizing establishment of tax increment financing districts in the cities of Duluth and Hibbing; authorizing the metropolitan airports commission to operate outside the metropolitan area; amending Minnesota Statutes 1990, sections 290.06, by adding a subdivision; 360.013, subdivision 5; 360.032, subdivision 1; 360.038, subdivision 4; 473.608, subdivision 1; and 473.667, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 297A; and 473; proposing coding for new law as Minnesota Statutes, chapter 116R."

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

The report was adopted.

SPECIAL ORDERS

H. F. No. 1190 which was temporarily laid over earlier today was again reported to the House.

H. F. No. 1190, A bill for an act relating to utilities; changing the time for reconciliation of assessments of utilities and telephone companies; limiting assessments against cooperative electric associations and municipal electric utilities to the maximum assessments that may be made against public utilities; adding real estate signs to the exceptions from the one call excavation notice system; amending Minnesota Statutes 1990, sections 216B.62, subdivisions 3 and 5; 216D.01, subdivision 5; and 237.295, subdivision 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Garcia	Knickerbocker	Olson, E.	Skoglund
Anderson, I.	Girard	Koppendrayer	Olson, K.	Smith
Anderson, R. H.	Goodno	Krinkie	Omann	Solberg
Battaglia	Greenfield	Krueger	Onnen	Sparby
Bauerly	Gruenes	Lasley	Orenstein	Stanius
Beard	Gutknecht	Leppik	Orfield	Steenasma
Begich	Hanson	Lieder	Osthoff	Sviggum
Bertram	Hartle	Limmer	Ostrom	Swenson
Bettermann	Hasskamp	Long	Ozment	Thompson
Bishop	Haukoos	Lourey	Pauly	Tompkins
Blatz	Hausman	Lynch	Pellow	Trimble
Bodahl	Heir	Macklin	Pelowski	Tunheim
Boo	Henry	Mariani	Peterson	Valento
Brown	Hufnagle	Marsh	Pugh	Vellenga
Carlson	Hugoson	McEachern	Reding	Wagenius
Carruthers	Jacobs	McGuire	Rest	Waltman
Clark	Janezich	McPherson	Rice	Weaver
Cooper	Jaros	Milbert	Rodosovich	Wejzman
Dauner	Jefferson	Morrison	Rukavina	Welker
Dauids	Jennings	Munger	Runbeck	Welle
Dawkins	Johnson, A.	Murphy	Sarna	Wenzel
Dempsey	Johnson, R.	Nelson, K.	Schafer	Winter
Dorn	Johnson, V.	Nelson, S.	Scheid	Spk. Vanasek
Erhardt	Kahn	Newinski	Schreiber	
Farrell	Kalis	O'Connor	Seaberg	
Frederick	Kelso	Ogren	Segal	
Frerichs	Kinkel	Olsen, S.	Simoneau	

The bill was passed and its title agreed to.

S. F. No. 953 which was temporarily laid over earlier today was again reported to the House.

S. F. No. 953, A bill for an act relating to courts; providing for fees for law libraries; amending Minnesota Statutes 1990, section 134A.09, by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

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

Those who voted in the affirmative were:

Abrams	Blatz	Dawkins	Goodno	Henry
Anderson, I.	Bodahl	Dempsey	Greenfield	Hufnagle
Anderson, R. H.	Boo	Dille	Gruenes	Hugoson
Battaglia	Brown	Dorn	Gutknecht	Jacobs
Bauerly	Carlson	Erhardt	Hanson	Janezich
Beard	Carruthers	Farrell	Hartle	Jaros
Begich	Clark	Frederick	Hasskamp	Jefferson
Bertram	Cooper	Frerichs	Haukoos	Jennings
Bettermann	Dauner	Garcia	Hausman	Johnson, A.
Bishop	Dauids	Girard	Heir	Johnson, R.

Johnson, V.	Mariani	Omann	Runbeck	Tompkins
Kahn	Marsh	Onnen	Sarna	Trimble
Kalis	McEachern	Orenstein	Schafer	Tunheim
Kelso	McGuire	Orfield	Scheid	Uphus
Kinkel	McPherson	Osthoff	Schreiber	Valento
Knickerbocker	Milbert	Ostrom	Seaberg	Vellenga
Koppendrayer	Morrison	Ozment	Segal	Wagenius
Krinkie	Munger	Pauly	Simoneau	Waltman
Krueger	Murphy	Pellow	Skoglund	Weaver
Lasley	Nelson, K.	Pelowski	Smith	Wejcmann
Leppik	Nelson, S.	Peterson	Solberg	Welker
Lieder	Newinski	Pugh	Sparby	Welle
Limmer	O'Connor	Reding	Stanisus	Wenzel
Long	Ogren	Rest	Steenmsa	Winter
Lourey	Olsen, S.	Rice	Sviggum	Spk. Vanasek
Lynch	Olson, E.	Rodosovich	Swenson	
Macklin	Olson, K.	Rukavina	Thompson	

The bill was passed and its title agreed to.

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

Koppendrayer was excused between the hours of 4:30 p.m. and 4:45 p.m.

S. F. No. 636, A bill for an act relating to local government; enlarging authority to participate in certain federal loan programs; amending Minnesota Statutes 1990, section 465.73.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Davids	Heir	Leppik	Ogren
Anderson, I.	Dawkins	Henry	Lieder	Olsen, S.
Anderson, R.	Dempsey	Hufnagle	Limmer	Olson, E.
Anderson, R. H.	Dille	Hugoson	Long	Olson, K.
Battaglia	Dorn	Jacobs	Lourey	Onnen
Bauerly	Erhardt	Janezich	Lynch	Orenstein
Beard	Farrell	Jaros	Macklin	Orfield
Begich	Frederick	Jefferson	Mariani	Osthoff
Bertram	Frerichs	Jennings	Marsh	Ostrom
Bettermann	Garcia	Johnson, A.	McEachern	Ozment
Bishop	Girard	Johnson, R.	McGuire	Pauly
Blatz	Goodno	Johnson, V.	McPherson	Pellow
Bodahl	Greenfield	Kahn	Milbert	Pelowski
Boo	Gruenes	Kalis	Morrison	Peterson
Brown	Gutknecht	Kelso	Munger	Pugh
Carlson	Hanson	Kinkel	Murphy	Reding
Carruthers	Hartle	Knickerbocker	Nelson, K.	Rest
Clark	Hasskamp	Krinkie	Nelson, S.	Rice
Cooper	Haukoos	Krueger	Newinski	Rodosovich
Dauner	Hausman	Lasley	O'Connor	Rukavina

Runbeck	Simoneau	Sviggum	Valento	Welle
Sarna	Skoglund	Swenson	Vellenga	Wenzel
Schafer	Smith	Thompson	Wagenius	Winter
Scheid	Solberg	Tompkins	Waltman	Spk. Vanasek
Schreiber	Sparby	Trimble	Weaver	
Seaberg	Stanius	Tunheim	Wejzman	
Segal	Steensma	Uphus	Welker	

The bill was passed and its title agreed to.

H. F. No. 765, A bill for an act relating to certain state employees; establishing eligibility for state-paid insurance after retirement in certain circumstances.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kinkel	Olson, E.	Smith
Anderson, I.	Frerichs	Knickerbocker	Olson, K.	Solberg
Anderson, R.	Garcia	Krinkie	Onnen	Sparby
Anderson, R. H.	Girard	Krueger	Orenstein	Stanius
Battaglia	Goodno	Lasley	Orfield	Steensma
Bauerly	Greenfield	Leppik	Osthoff	Sviggum
Beard	Gruenes	Lieder	Ostrom	Swenson
Begich	Gutknecht	Limmer	Ozment	Thompson
Bertram	Hanson	Long	Pauly	Tompkins
Bettermann	Hartle	Lourey	Pellow	Trimble
Bishop	Hasskamp	Lynch	Pelowski	Tunheim
Blatz	Hausman	Macklin	Peterson	Uphus
Bodahl	Heir	Mariani	Pugh	Valento
Boo	Henry	Marsh	Reding	Vellenga
Brown	Hufnagle	McEachern	Rest	Wagenius
Carlson	Hugoson	McGuire	Rice	Waltman
Carruthers	Jacobs	McPherson	Rodosovich	Weaver
Clark	Janezich	Milbert	Rukavina	Wejzman
Cooper	Jaros	Morrison	Runbeck	Welker
Dauner	Jefferson	Munger	Sarna	Welle
Dauids	Jennings	Murphy	Schafer	Wenzel
Dawkins	Johnson, A.	Nelson, K.	Scheid	Winter
Dempsey	Johnson, R.	Nelson, S.	Schreiber	Spk. Vanasek
Dille	Johnson, V.	Newinski	Seaberg	
Dorn	Kahn	O'Connor	Segal	
Erhardt	Kalis	Ogren	Simoneau	
Farrell	Kelso	Olsen, S.	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 1147, A bill for an act relating to public employment; transferring certain state employees from the unclassified to the classified service; requiring rules for evaluating the performance of arbitrators; establishing deadlines for certain steps in the arbitra-

tion process; establishing a procedure for setting the dates for meetings of arbitration panels; amending Minnesota Statutes 1990, sections 16B.88, subdivision 1; 43A.08, subdivision 1a, and by adding a subdivision; 43A.18, subdivision 4; 116K.04, subdivision 5; 144A.52, subdivision 1; 179A.05, subdivision 6; 179A.16, subdivisions 4, 6, and 7; 196.23, subdivision 1; 240A.02, subdivision 3; 241.01, subdivision 3a; 241.43, subdivisions 1 and 2; 299A.30, subdivision 1; 349A.02, subdivision 4; 446A.03, subdivision 5; Laws 1984, chapter 654, article 2, section 152, subdivision 3; and Laws 1987, chapter 386, article 1, section 11; repealing Minnesota Statutes 1990, sections 116J.615, subdivision 3; and 352D.02, subdivision 1b.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 99 yeas and 32 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Garcia	Koppendrayer	Ogren	Simoneau
Anderson, R.	Greenfield	Krueger	Olsen, S.	Skoglund
Battaglia	Gutknecht	Lasley	Olson, E.	Solberg
Bauerly	Hanson	Leppik	Olson, K.	Sparby
Beard	Hartle	Lieder	Orenstein	Stanius
Begich	Hasskamp	Long	Orfield	Stensma
Bertram	Hausman	Lourey	Ostrom	Thompson
Bishop	Hugoson	Lynch	Ozment	Tompkins
Blatz	Jacobs	Macklin	Pelowski	Trimble
Bodahl	Janezich	Mariani	Peterson	Tunheim
Brown	Jaros	McEachern	Pugh	Uphus
Carlson	Jefferson	McGuire	Reding	Vellenga
Carruthers	Jennings	McPherson	Rest	Wagenius
Clark	Johnson, A.	Milbert	Rice	Weaver
Cooper	Johnson, R.	Munger	Rodosovich	Wejzman
Dauner	Johnson, V.	Murphy	Rukavina	Welle
Dawkins	Kahn	Nelson, K.	Runbeck	Wenzel
Dille	Kalis	Nelson, S.	Sarna	Winter
Dorn	Kelso	Newinski	Scheid	Spk. Vanasek
Farrell	Kinkel	O'Connor	Segal	

Those who voted in the negative were:

Abrams	Frederick	Hufnagle	Pauly	Swenson
Anderson, R. H.	Frerichs	Knickerbocker	Pellow	Valento
Bettermann	Girard	Krinkie	Schafer	Waltman
Boo	Goodno	Limmer	Schreiber	Welker
Dauids	Gruenes	Marsh	Seaberg	
Dempsey	Heir	Morrison	Smith	
Erhardt	Henry	Onnen	Sviggum	

The bill was passed and its title agreed to.

The Speaker called Krueger to the Chair.

H. F. No. 20, A bill for an act relating to insurance; requiring insurers to furnish a summary of claims review findings; proposing coding for new law in Minnesota Statutes, chapter 72A.

The bill was read for the third 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	Frederick	Kelso	Ogren	Simoneau
Anderson, I.	Frerichs	Kinkel	Olsen, S.	Skoglund
Anderson, R.	Garcia	Knickerbocker	Olson, E.	Smith
Anderson, R. H.	Girard	Koppendrayner	Olson, K.	Solberg
Battaglia	Goodno	Krinkie	Onnen	Sparby
Bauerly	Greenfield	Krueger	Orenstein	Stanius
Beard	Gruenes	Lasley	Orfield	Steensma
Begich	Gutknecht	Leppik	Osthoff	Sviggum
Bertram	Hanson	Lieder	Ostrom	Swenson
Bettermann	Hartle	Limmer	Ozment	Thompson
Bishop	Hasskamp	Long	Pauly	Tompkins
Blatz	Haukoos	Lourey	Pellow	Trimble
Bodahl	Hausman	Lynch	Pelowski	Tunheim
Boo	Heir	Macklin	Peterson	Uphus
Brown	Henry	Mariani	Pugh	Valento
Carlson	Hufnagle	Marsh	Reding	Vellenga
Carruthers	Hugoson	McEachern	Rest	Wagenius
Clark	Jacobs	McGuire	Rice	Waltman
Cooper	Janezich	McPherson	Rodosovich	Weaver
Dauner	Jaros	Milbert	Rukavina	Wejzman
Davids	Jefferson	Morrison	Runbeck	Welker
Dawkins	Jennings	Munger	Sarna	Welle
Dempsey	Johnson, A.	Murphy	Schafer	Wenzel
Dille	Johnson, R.	Nelson, K.	Scheid	Winter
Dorn	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Erhardt	Kahn	Newinski	Seaberg	
Farrell	Kalis	O'Connor	Segal	

The bill was passed and its title agreed to.

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

S. F. No. 1032, A bill for an act relating to crimes; increasing the penalty for assaulting a correctional officer; amending Minnesota Statutes 1990, section 609.2231, subdivision 3.

The bill was read for the third time and placed upon its final passage.

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

Those who voted in the affirmative were:

Abrams	Frederick	Kinkel	Olsen, S.	Skoglund
Anderson, I.	Frerichs	Knickerbocker	Olson, E.	Smith
Anderson, R.	Garcia	Koppendrayner	Olson, K.	Solberg
Anderson, R. H.	Girard	Krinkie	Onnen	Sparby
Battaglia	Goodno	Krueger	Orenstein	Stanius
Bauerly	Greenfield	Lasley	Orfield	Steensma
Beard	Gruenes	Leppik	Osthoff	Sviggum
Begich	Gutknecht	Lieder	Ostrom	Swenson
Bertram	Hartle	Limmer	Ozment	Thompson
Bettermann	Hasskamp	Long	Pauly	Tompkins
Bishop	Haukoos	Lourey	Pellow	Trimble
Blatz	Hausman	Lynch	Pelowski	Tunheim
Bodahl	Heir	Macklin	Peterson	Uphus
Boo	Henry	Mariani	Pugh	Valento
Brown	Hufnagle	Marsh	Reding	Vellenga
Carlson	Hugoson	McEachern	Rest	Wagenius
Carruthers	Jacobs	McGuire	Rice	Waltman
Clark	Janezich	McPherson	Rodosovich	Weaver
Cooper	Jaros	Milbert	Rukavina	Wejeman
Dauner	Jefferson	Morrison	Runbeck	Welker
Dauids	Jennings	Munger	Sarna	Welle
Dawkins	Johnson, A.	Murphy	Schafer	Wenzel
Dempsey	Johnson, R.	Nelson, K.	Scheid	Winter
Dille	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Dorn	Kahn	Newinski	Seaberg	
Erhardt	Kalis	O'Connor	Segal	
Farrell	Kelso	Ogren	Simoneau	

The bill was passed and its title agreed to.

S. F. No. 355, A bill for an act relating to animals; providing for disposition of certain animals taken into custody by public authorities; requiring bond or other security for expenses of care in certain cases; amending Minnesota Statutes 1990, sections 343.22, subdivisions 1 and 3; and 343.29, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 343.

The bill was read for the third time and placed upon its final passage.

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

Those who voted in the affirmative were:

Abrams	Blatz	Dempsey	Gruenes	Janezich
Anderson, I.	Bodahl	Dille	Gutknecht	Jaros
Anderson, R.	Boo	Dorn	Hartle	Jefferson
Anderson, R. H.	Brown	Erhardt	Hasskamp	Jennings
Battaglia	Carlson	Farrell	Haukoos	Johnson, A.
Bauerly	Carruthers	Frederick	Hausman	Johnson, R.
Beard	Clark	Frerichs	Heir	Johnson, V.
Begich	Cooper	Garcia	Henry	Kahn
Bertram	Dauner	Girard	Hufnagle	Kalis
Bettermann	Dauids	Goodno	Hugoson	Kelso
Bishop	Dawkins	Greenfield	Jacobs	Kinkel

Knickerbocker	McPherson	Osthoff	Scheid	Tunheim
Koppendrayner	Milbert	Ostrom	Schreiber	Uphus
Krinkie	Morrison	Ozment	Seaberg	Valento
Krueger	Munger	Pauly	Segal	Vellenga
Lasley	Murphy	Pellow	Simoneau	Wagenius
Leppik	Nelson, K.	Pelowski	Skoglund	Waltman
Lieder	Nelson, S.	Peterson	Smith	Weaver
Limmer	Newinski	Pugh	Solberg	Wejcman
Long	O'Connor	Reding	Sparby	Welker
Lourey	Ogren	Rest	Stanius	Welle
Lynch	Olsen, S.	Rice	Steensma	Wenzel
Macklin	Olsen, E.	Rodosovich	Sviggum	Winter
Mariani	Olsen, K.	Rukavina	Swenson	Spk. Vanasek
Marsh	Onnen	Runbeck	Thompson	
McEachern	Orenstein	Sarna	Tompkins	
McGuire	Orfield	Schafer	Trimble	

The bill was passed and its title agreed to.

S. F. No. 998 was reported to the House.

Farrell moved that S. F. No. 998 be continued on Special Orders. The motion prevailed.

S. F. No. 1027 was reported to the House.

Johnson, R.; Munger and Johnson, V., moved to amend S. F. No. 1027, as follows:

Page 2, after line 3, insert:

“Subd. 4. [WORKER DISPLACEMENT PROHIBITED.] The commissioner may not enter into any agreement that has the purpose of or results in the displacement of public employees by volunteers. The commissioner must certify to the appropriate bargaining agent that the work performed by a volunteer 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.”

Amend the title as follows:

Page 1, line 5, after the semicolon insert “ensuring that the program does not conflict with public employee duties;”

The motion prevailed and the amendment was adopted.

Trimble moved to amend S. F. No. 1027, as amended, as follows:

Page 1, after line 7, insert:

“Section 1. [10.51] [STEPPARENTS DAY.]

The first Sunday in October is designated Stepparents Day, in recognition of the unique role assumed by stepparents, and to increase public awareness of stepparents' special needs and concerns. The governor may take any action necessary to promote and encourage the observance of Stepparents Day.”

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 1027, A bill for an act relating to natural resources; establishing a Minnesota adopt-a-park program; requiring the department of natural resources to report to the legislature on the program; proposing coding for new law in Minnesota Statutes, chapter 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 120 yeas and 12 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Dawkins	Jaros	Macklin	Ozment
Anderson, R.	Dempsey	Jefferson	Mariani	Pauly
Anderson, R. H.	Dille	Jennings	Marsh	Pellow
Battaglia	Dorn	Johnson, A.	McEachern	Pelowski
Bauerly	Farrell	Johnson, R.	McGuire	Peterson
Beard	Frederick	Johnson, V.	Milbert	Pugh
Begich	Frerichs	Kahn	Morrison	Reding
Bertram	Garcia	Kalis	Munger	Rest
Bettermann	Girard	Kelso	Murphy	Rice
Bishop	Goodno	Kinkel	Nelson, K.	Rodosovich
Blatz	Greenfield	Koppendrayer	Nelson, S.	Rukavina
Bodahl	Gruenes	Krinkie	Newinski	Runbeck
Boo	Hartle	Krueger	O'Connor	Sarna
Brown	Hasskamp	Lasley	Ogren	Schafer
Carlson	Hausman	Leppik	Olson, E.	Scheid
Carruthers	Heir	Lieder	Olson, K.	Schreiber
Clark	Henry	Limmer	Orenstein	Seaberg
Cooper	Hufnagle	Long	Orfield	Segal
Dauner	Jacobs	Lourey	Osthoff	Simoneau
Davids	Janezich	Lynch	Ostrom	Skoglund

Smith	Steensma	Trimble	Vellenga	Welle
Solberg	Swenson	Tunheim	Wagenius	Wenzel
Sparby	Thompson	Uphus	Waltman	Winter
Stanius	Tompkins	Valento	Wejcman	Spk. Vanasek

Those who voted in the negative were:

Abrams	Haukoos	McPherson	Svigum
Erhardt	Hugoson	Olsen, S.	Weaver
Gutknecht	Knickerbocker	Onnen	Welker

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

S. F. No. 687 was reported to the House.

Trimble moved to amend S. F. No. 687, as follows:

Delete everything after the enacting clause and insert:

“Section 1. [239.82] [SPECIFICATIONS FOR RECYCLED CFCs.]

Subdivision 1. [DEFINITION.] “CFCs” has the meaning given in section 116.70, subdivision 3.

Subd. 2. [STANDARD.] Recycled CFCs that are used to replace or supplement CFCs in refrigerant applications, including but not limited to refrigerators, air conditioning units, freezers, and dehumidifiers, must comply with the 1988 Standard for Specifications for Fluorocarbon Refrigerants (standard 700) of the Air Conditioning and Refrigeration Institute, to the extent the standard applies to the recycled CFCs.

Sec. 2. [REFRIGERATION EQUIPMENT AND SYSTEMS; TRAINING AND LICENSING RECOMMENDATIONS.]

The pollution control agency shall by January 1, 1992, make recommendations to the legislature on methods for the use, recapture, and recycling of CFCs and appropriate training and licensing provisions for persons engaged in the installation or repair of refrigeration equipment and systems that use CFC refrigerants. The agency shall consult with contractors and representatives of these installations and repair workers before making these recommendations.

Sec. 3. [REPEALER.]

Minnesota Statutes 1990, section 116.734, is repealed.

Sec. 4. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1991."

Delete the title and insert:

"A bill for an act relating to the environment; requiring recycled CFCs used in refrigerant applications to comply with certain standards; requiring recommendations on training and licensure of installers; proposing coding for new law in Minnesota Statutes, chapter 239; repealing Minnesota Statutes 1990, section 116.734."

The motion prevailed and the amendment was adopted.

S. F. No. 687, A bill for an act relating to the environment; requiring recycled CFCs used in refrigerant applications to comply with certain standards; proposing coding for new law in Minnesota Statutes, chapter 239.

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 3 nays as follows:

Those who voted in the affirmative were:

Abrams	Farrell	Knickerbocker	Olsen, S.	Simoneau
Anderson, I.	Frederick	Koppendraye	Olson, E.	Skoglund
Anderson, R.	Frerichs	Krinkie	Olson, K.	Smith
Anderson, R. H.	Garcia	Krueger	Onnen	Solberg
Battaglia	Goodno	Lasley	Orenstein	Sparby
Bauerly	Greenfield	Leppik	Orfield	Stanius
Beard	Gruenes	Lieder	Osthoff	Steensma
Begich	Gutknecht	Limmer	Ostrom	Svigum
Bertram	Hartle	Long	Ozment	Swenson
Bettermann	Hasskamp	Lourey	Pauly	Thompson
Bishop	Hausman	Lynch	Pellow	Tompkins
Blatz	Heir	Macklin	Pelowski	Trimble
Bodahl	Henry	Mariani	Peterson	Tunheim
Boo	Hufnagle	Marsh	Pugh	Uphus
Brown	Hugoson	McEachern	Reding	Valento
Carlson	Jacobs	McGuire	Rest	Vellenga
Carruthers	Janezich	McPherson	Rice	Wagenius
Clark	Jaros	Milbert	Rodosovich	Waltman
Cooper	Jefferson	Morrison	Rukavina	Weaver
Dauner	Johnson, A.	Munger	Runbeck	Wejcmann
Davids	Johnson, R.	Murphy	Sarna	Welker
Dawkins	Johnson, V.	Nelson, K.	Schafer	Welle
Dempsey	Kahn	Nelson, S.	Scheid	Wenzel
Dille	Kalis	Newinski	Schreiber	Winter
Dorn	Kelso	O'Connor	Seaberg	Spk. Vanasek
Erhardt	Kinkel	Ogren	Segal	

Those who voted in the negative were:

Girard	Haukoos	Jennings
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The bill was passed, as amended, and its title agreed to.

S. F. No. 460, A bill for an act relating to veterans; authorizing the commissioner of veterans affairs to assist certain dependents of military personnel; clarifying the name of the state soldiers' welfare fund; changing certain requirements for appointment of county veterans service officers; containing instructions to the revisor of statutes; amending Minnesota Statutes 1990, sections 196.05; 197.03; and 197.60, subdivision 2, and by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kinkel	Olsen, S.	Smith
Anderson, I.	Frerichs	Knickerbocker	Olson, E.	Solberg
Anderson, R.	Garcia	Koppendraye	Olson, K.	Sparby
Anderson, R. H.	Girard	Krinkie	Onnen	Stanius
Battaglia	Goodno	Krueger	Orenstein	Steenasma
Bauerly	Greenfield	Lasley	Orfield	Svigum
Beard	Gruenes	Leppik	Ostrom	Swenson
Begich	Gutknecht	Lieder	Ozment	Thompson
Bertram	Hartle	Limmer	Pauly	Tompkins
Bettermann	Hasskamp	Long	Pellow	Trimble
Bishop	Haukoos	Lourey	Pelowski	Tunheim
Blatz	Hausman	Lynch	Peterson	Uphus
Bodahl	Heir	Macklin	Pugh	Valento
Boo	Henry	Mariani	Reding	Vellenga
Brown	Hufnagle	Marsh	Rest	Wagenius
Carlson	Hugoson	McEachern	Rice	Waltman
Carruthers	Jacobs	McGuire	Rodosovich	Weaver
Clark	Janezich	McPherson	Rukavina	Wejzman
Cooper	Jaros	Milbert	Runbeck	Welker
Dauner	Jefferson	Morrison	Sarna	Welle
Dauids	Jennings	Munger	Schafer	Wenzel
Dawkins	Johnson, A.	Murphy	Scheid	Winter
Dempsey	Johnson, R.	Nelson, K.	Schreiber	Spk. Vanasek
Dille	Johnson, V.	Nelson, S.	Seaberg	
Dorn	Kahn	Newinski	Segal	
Erhardt	Kalis	O'Connor	Simoneau	
Farrell	Kelso	Ogren	Skoglund	

The bill was passed and its title agreed to.

S. F. No. 918 was reported to the House.

Carruthers moved to amend S. F. No. 918, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 60A.08, is amended by adding a subdivision to read:

Subd. 14. [AGREEMENT TO RESCIND POLICY.] (a) If the insurer has knowledge of any claims against the insured that would remain unsatisfied due to the financial condition of the insured, the insurer and the insured may not agree to rescind the policy.

(b) Before entering into an agreement to rescind a policy, an insurer must make a good faith effort to ascertain: (1) the existence and identity of all claims against the policy; and (2) the financial condition of the insured.

(c) An agreement made in violation of this section is void and unenforceable.

Sec. 2. Minnesota Statutes 1990, section 72A.201, subdivision 6, is amended to read:

Subd. 6. [STANDARDS FOR AUTOMOBILE INSURANCE CLAIMS HANDLING, SETTLEMENT OFFERS, AND AGREEMENTS.] In addition to the acts specified in subdivisions 4, 5, 7, 8, and 9, the following acts by an insurer, adjuster, or a self-insured or self-insurance administrator constitute unfair settlement practices:

(1) if an automobile insurance policy provides for the adjustment and settlement of an automobile total loss on the basis of actual cash value or replacement with like kind and quality and the insured is not an automobile dealer, failing to offer one of the following methods of settlement:

(a) comparable and available replacement automobile, with all applicable taxes, license fees, at least pro rata for the unexpired term of the replaced automobile's license, and other fees incident to the transfer or evidence of ownership of the automobile paid, at no cost to the insured other than the deductible amount as provided in the policy;

(b) a cash settlement based upon the actual cost of purchase of a comparable automobile, including all applicable taxes, license fees, at least pro rata for the unexpired term of the replaced automobile's license, and other fees incident to transfer of evidence of ownership, less the deductible amount as provided in the policy. The costs must be determined by:

(i) the cost of a comparable automobile, adjusted for mileage, condition, and options, in the local market area of the insured, if such an automobile is available in that area; or

(ii) one of two or more quotations obtained from two or more

qualified sources located within the local market area when a comparable automobile is not available in the local market area. The insured shall be provided the information contained in all quotations prior to settlement; or

(iii) any settlement or offer of settlement which deviates from the procedure above must be documented and justified in detail. The basis for the settlement or offer of settlement must be explained to the insured;

(2) if an automobile insurance policy provides for the adjustment and settlement of an automobile partial loss on the basis of repair or replacement with like kind and quality and the insured is not an automobile dealer, failing to offer one of the following methods of settlement:

(a) to assume all costs, including reasonable towing costs, for the satisfactory repair of the motor vehicle. Satisfactory repair includes repair of both obvious and hidden damage as caused by the claim incident. This assumption of cost may be reduced by applicable policy provision; or

(b) to offer a cash settlement sufficient to pay for satisfactory repair of the vehicle. Satisfactory repair includes repair of obvious and hidden damage caused by the claim incident, and includes reasonable towing costs;

(3) regardless of whether the loss was total or partial, in the event that a damaged vehicle of an insured cannot be safely driven, failing to exercise the right to inspect automobile damage prior to repair within five business days following receipt of notification of claim. In other cases the inspection must be made in 15 days;

(4) regardless of whether the loss was total or partial, requiring unreasonable travel of a claimant or insured to inspect a replacement automobile, to obtain a repair estimate, to allow an insurer to inspect a repair estimate, to allow an insurer to inspect repairs made pursuant to policy requirements, or to have the automobile repaired;

(5) regardless of whether the loss was total or partial, if loss of use coverage exists under the insurance policy, failing to notify an insured at the time of the insurer's acknowledgment of claim, or sooner if inquiry is made, of the fact of the coverage, including the policy terms and conditions affecting the coverage and the manner in which the insured can apply for this coverage;

(6) regardless of whether the loss was total or partial, failing to include the insured's deductible in the insurer's demands under its subrogation rights. Subrogation recovery must be shared at least on a proportionate basis with the insured, unless the deductible

amount has been otherwise recovered by the insured, except that when an insurer is recovering directly from an uninsured third party by means of installments, the insured must receive the full deductible share as soon as that amount is collected and before any part of the total recovery is applied to any other use. No deduction for expenses may be made from the deductible recovery unless an attorney is retained to collect the recovery, in which case deduction may be made only for a pro rata share of the cost of retaining the attorney;

(7) requiring as a condition of payment of a claim that repairs to any damaged vehicle must be made by a particular contractor or repair shop or that parts, other than window glass, must be replaced with parts other than original equipment parts;

(8) where liability is reasonably clear, failing to inform the claimant in an automobile property damage liability claim that the claimant may have a claim for loss of use of the vehicle;

(9) failing to make a good faith assignment of comparative negligence percentages in ascertaining the issue of liability;

(10) failing to pay any interest required by statute on overdue payment for an automobile personal injury protection claim;

(11) if an automobile insurance policy contains either or both of the time limitation provisions as permitted by section 65B.55, subdivisions 1 and 2, failing to notify the insured in writing of those limitations at least 60 days prior to the expiration of that time limitation;

(12) if an insurer chooses to have an insured examined as permitted by section 65B.56, subdivision 1, failing to notify the insured of all of the insured's rights and obligations under that statute, including the right to request, in writing, and to receive a copy of the report of the examination;

(13) failing to provide, to an insured who has submitted a claim for benefits described in section 65B.44, a complete copy of the insurer's claim file on the insured, excluding internal company memoranda, all materials that relate to any insurance fraud investigation, materials that constitute attorney work-product or that qualify for the attorney-client privilege, and medical reviews that are subject to section 145.64, within ten business days of receiving a written request from the insured. The insurer may charge the insured a reasonable copying fee. This clause supersedes any inconsistent provisions of sections 72A.49 to 72A.505."

Delete the title and insert:

"A bill for an act relating to insurance; prohibiting certain agreements; requiring that insurers provide copies of claim information for certain auto claims; amending Minnesota Statutes 1990, sections 60A.08, by adding a subdivision; and 72A.201, subdivision 6."

The motion prevailed and the amendment was adopted.

S. F. No. 918, A bill for an act relating to insurance; prohibiting certain agreements; amending Minnesota Statutes 1990, section 60A.08, 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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kinkel	Olsen, S.	Skoglund
Anderson, I.	Frerichs	Knickerbocker	Olson, E.	Smith
Anderson, R.	Garcia	Koppendrayner	Olson, K.	Solberg
Anderson, R. H.	Girard	Krinkie	Onnen	Sparby
Battaglia	Goodno	Krueger	Orenstein	Stanius
Bauerly	Greenfield	Lasley	Orfield	Steensma
Beard	Gruenes	Leppik	Osthoff	Svigum
Begich	Gutknecht	Lieder	Ostrom	Swenson
Bertram	Hartle	Limmer	Ozment	Thompson
Bettermann	Hasskamp	Long	Pauly	Tompkins
Bishop	Haukoos	Lourey	Pellow	Trimble
Blatz	Hausman	Lynch	Pelowski	Tunheim
Bodahl	Heir	Macklin	Peterson	Uphus
Boo	Henry	Mariani	Pugh	Valento
Brown	Hufnagle	Marsh	Reding	Vellenga
Carlson	Hugoson	McEachern	Rest	Wagenius
Carruthers	Jacobs	McGuire	Rice	Waltman
Clark	Janezich	McPherson	Rodosovich	Weaver
Cooper	Jaros	Milbert	Rukavina	Wejcman
Dauner	Jefferson	Morrison	Runbeck	Welker
Davids	Jennings	Munger	Sarna	Welle
Dawkins	Johnson, A.	Murphy	Schafer	Wenzel
Dempsey	Johnson, R.	Nelson, K.	Scheid	Winter
Dille	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Dorn	Kahn	Newinski	Seaberg	
Erhardt	Kalis	O'Connor	Segal	
Farrell	Kelso	Ogren	Simoneau	

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

H. F. No. 997 was reported to the House.

Orenstein moved that H. F. No. 997 be continued on Special Orders. The motion prevailed.

S. F. No. 328 was reported to the House.

Skoglund moved to amend S. F. No. 328, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 62A.31, subdivision 1, is amended to read:

Subdivision 1. [POLICY REQUIREMENTS.] No individual or group policy, certificate, subscriber contract or other evidence of accident and health insurance the effect or purpose of which is to supplement Medicare coverage issued or delivered in this state or offered to a resident of this state shall be sold or issued to an individual age 65 or older covered by Medicare unless the following requirements are met:

(a) The policy must provide a minimum of the coverage set out in subdivision 2;

(b) The policy must cover preexisting conditions during the first six months of coverage if the insured was not diagnosed or treated for the particular condition during the 90 days immediately preceding the effective date of coverage;

(c) The policy must contain a provision that the plan will not be canceled or nonrenewed on the grounds of the deterioration of health of the insured;

(d) Before the policy is sold or issued, an offer of both categories of Medicare supplement insurance has been made to the individual, together with an explanation of both coverages; ~~and~~

(e) An outline of coverage as provided in section 62A.39 must be delivered at the time of application and prior to payment of any premium;

(f) (1) The policy must provide that benefits and premiums under the policy shall be suspended at the request of the policyholder for the period, not to exceed 24 months, in which the policyholder has applied for and is determined to be entitled to medical assistance under title XIX of the Social Security Act, but only if the policyholder notifies the issuer of the policy within 90 days after the date the individual becomes entitled to this assistance;

(2) If suspension occurs and if the policyholder or certificate holder loses entitlement to this medical assistance, the policy shall be automatically reinstated, effective as of the date of termination of

this entitlement, if the policyholder provides notice of loss of the entitlement within 90 days after the date of the loss;

(3) The policy must provide that upon reinstatement (i) there is no additional waiting period with respect to treatment of preexisting conditions, (ii) coverage is provided which is substantially equivalent to coverage in effect before the date of the suspension, and (iii) premiums are classified on terms that are at least as favorable to the policyholder or certificate holder as the premium classification terms that would have applied to the policyholder or certificate holder had coverage not been suspended;

(g) The written statement required by an application for Medicare supplement insurance pursuant to section 62A.43, subdivision 1, shall be made on a form, approved by the commissioner, that states that counseling services may be available in the state to provide advice concerning the purchase of Medicare supplement policies and enrollment under the Medicaid program;

(h) No issuer of Medicare supplement policies in this state may deny or condition the issuance or effectiveness of any Medicare supplement insurance policy form available for sale in this state, nor may it discriminate in the pricing of such a policy, because of the health status, claims experience, receipt of health care, or medical condition of an applicant where an application for such insurance is submitted during the six-month period beginning with the first month in which an individual first enrolled for benefits under Medicare Part B;

(i) If a Medicare supplement policy replaces another Medicare supplement policy, the issuer of the replacing policy shall waive any time periods applicable to preexisting conditions, waiting periods, elimination periods, and probationary periods in the new Medicare supplement policy for similar benefits to the extent the time was spent under the original policy;

(j) The policy has been filed with and approved by the department as meeting all the requirements of sections 62A.31 to 62A.44; and

(k) the policy guarantees renewability.

Only the following standards for renewability may be used in Medicare supplement insurance policy forms.

No issuer of Medicare supplement insurance policies may cancel or nonrenew a Medicare supplement policy or certificate for any reason other than nonpayment of premium or material misrepresentation.

If a group Medicare supplement insurance policy is terminated by

the group policyholder and is not replaced as provided in this clause, the issuer shall offer certificate holders an individual Medicare supplement policy which, at the option of the certificate holder, provides for continuation of the benefits contained in the group policy; or provides for such benefits and benefit packages as otherwise meet the requirements of this clause.

If an individual is a certificate holder in a group Medicare supplement insurance policy and the individual terminates membership in the group, the issuer of the policy shall offer the certificate holder the conversion opportunities described in this clause; or offer the certificate holder continuation of coverage under the group policy.

Sec. 2. Minnesota Statutes 1990, section 62A.316, is amended to read:

62A.316 [BASIC MEDICARE SUPPLEMENT PLAN; COVERAGE.]

(a) The basic Medicare supplement plan must have a level of coverage that will provide:

(1) coverage for all of the Medicare part A inpatient hospital coinsurance amounts, and 100 percent of all Medicare part A eligible expenses for hospitalization not covered by Medicare for the calendar year, after satisfying the Medicare part A deductible;

(2) coverage for the daily copayment amount of Medicare part A eligible expenses for the calendar year incurred for skilled nursing facility care;

(3) coverage for the 20 percent copayment amount of Medicare eligible expenses excluding outpatient prescription drugs under Medicare part B regardless of hospital confinement for Medicare part B after the Medicare deductible amount;

(4) 80 percent of the usual and customary hospital and medical expenses and supplies incurred during travel outside the United States as a result of a medical emergency;

(5) coverage for the reasonable cost of the first three pints of blood, or equivalent quantities of packed red blood cells as defined under federal regulations under Medicare parts A and B, unless replaced in accordance with federal regulations; and

~~(5)~~ (6) 100 percent of the cost of immunizations.

(b) Only the following optional benefit riders may be added to this plan:

(1) coverage for all of the Medicare part A inpatient hospital deductible amount;

(2) a minimum of 80 percent of usual and customary eligible medical expenses and supplies not covered by Medicare part B. This does not include outpatient prescription drugs;

(3) coverage for all of the Medicare part B annual deductible; and

(4) coverage for at least 50 percent, or the equivalent of 50 percent, of usual and customary prescription drug expenses.

Nothing in this section prohibits the plan from requiring that services be received from providers designated as preferred providers or participating providers in order to receive coverage under optional benefit riders.

Sec. 3. Minnesota Statutes 1990, section 62A.36, subdivision 1a, is amended to read:

Subd. 1a. [SUPPLEMENT TO ANNUAL STATEMENTS.] Each insurer that has Medicare supplement policies in force in this state shall, as a supplement to the annual statement required by section 60A.13, submit, in a form prescribed by the commissioner, data showing its incurred claims experience, its earned premiums, and the aggregate amount of premiums collected and losses incurred for each Medicare policy form in force. If the data submitted does not confirm that the insurer has satisfied the loss ratio requirements of this section, the commissioner shall notify the insurer in writing of the deficiency. The insurer shall have 30 days from the date of the commissioner's notice to file amended rates that comply with this section. If the insurer fails to file amended rates within the prescribed time, the commissioner shall order that the insurer's filed rates for the nonconforming policy be reduced to an amount that would have resulted in a loss ratio that complied with this section had it been in effect for the reporting period of the supplement. The insurer's failure to file amended rates within the specified time or the issuance of the commissioner's order amending the rates does not preclude the insurer from filing an amendment of its rates at a later time. The commissioner shall annually make the submitted data as to premiums and loss ratios for the preceding three years available to the public at a cost not to exceed the cost of copying. The commissioner shall also provide the public with copies of the policies to which the loss ratios and premiums apply. The data must be compiled in a form useful for consumers who wish to compare premium charges and loss ratios.

Sec. 4. Minnesota Statutes 1990, section 62A.43, subdivision 1, is amended to read:

Subdivision 1. [DUPLICATE COVERAGE PROHIBITED.] No agent shall sell a Medicare supplement plan, as defined in section 62A.31, to a person who currently has one plan in effect; however, an agent may sell a replacement plan in accordance with section 62A.40, provided that the second plan is not made effective any sooner than necessary to provide continuous benefits for preexisting conditions. Every application for Medicare supplement insurance shall require a written statement signed by the applicant listing of all health and accident insurance maintained by the applicant as of the date the application is taken and stating whether the applicant is entitled to any medical assistance. The written statement must be accompanied by a written acknowledgment, signed by the seller of the policy, of the request for and receipt of the statement.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective November 5, 1991. If the federal government extends the date for compliance with any provision of this act that is required by the federal Omnibus Budget Reconciliation Act of 1990, the commissioner may by order extend the date by which that provision of this act must be complied with. An order of the commissioner under this section must not extend the compliance date for longer than six months from November 5, 1991.

The motion prevailed and the amendment was adopted.

Skoglund moved to amend S. F. No. 328, as amended, as follows:

Page 3, line 2, after "may" insert "impose preexisting condition limitations or otherwise"

The motion prevailed and the amendment was adopted.

S. F. No. 328, A bill for an act relating to insurance; Medicare supplement; conforming state Medicare supplement policy requirements to federal law; requiring certain foreign travel coverages to be added to the basic plan; amending Minnesota Statutes 1990, sections 62A.31, subdivision 1; 62A.316; 62A.36, subdivision 1a; and 62A.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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kinkel	Olsen, S.	Skoglund
Anderson, I.	Frerichs	Knickerbocker	Olson, E.	Smith
Anderson, R.	Garcia	Koppendraye	Olson, K.	Solberg
Anderson, R. H.	Girard	Krinkie	Onnen	Sparby
Battaglia	Goodno	Krueger	Orenstein	Stanius
Bauerly	Greenfield	Lasley	Orfield	Steensma
Beard	Gruenes	Leppik	Osthoff	Sviggum
Begich	Gutknecht	Lieder	Ostrom	Swenson
Bertram	Hartle	Limmer	Ozment	Thompson
Bettermann	Hasskamp	Long	Pauly	Tompkins
Bishop	Haukoos	Lourey	Pellow	Trimble
Blatz	Hausman	Lynch	Pelowski	Tunheim
Bodahl	Heir	Macklin	Peterson	Uphus
Boo	Henry	Mariani	Pugh	Valento
Brown	Hufnagle	Marsh	Reding	Vellenga
Carlson	Hugoson	McEachern	Rest	Wagenius
Carruthers	Jacobs	McGuire	Rice	Waltman
Clark	Janezich	McPherson	Rodosovich	Weaver
Cooper	Jaros	Milbert	Rukavina	Wejeman
Dauner	Jefferson	Morrison	Runbeck	Welker
Davids	Jennings	Munger	Sarna	Welle
Dawkins	Johnson, A.	Murphy	Schafer	Wenzel
Dempsey	Johnson, R.	Nelson, K.	Scheid	Winter
Dille	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Dorn	Kahn	Newinski	Seaberg	
Erhardt	Kalis	O'Connor	Segal	
Farrell	Kelso	Ogren	Simoneau	

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

The Speaker resumed the Chair.

H. F. No. 1415 was reported to the House.

Scheid moved that H. F. No. 1415 be continued on Special Orders. The motion prevailed.

Long moved that the remaining bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Long moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Dawkins moved that the name of Murphy be added as an author on H. F. No. 1072. The motion prevailed.

Winter moved that the name of Sparby be added as an author on H. F. No. 1189. The motion prevailed.

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

Greenfield moved that H. F. No. 144 be returned to its author. The motion prevailed.

Greenfield moved that H. F. No. 1214 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. 1042:

Winter; Anderson, I., and Uphus.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1371:

Brown, Steensma and Dille.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 800:

Stanisus, Sparby and Reding.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 12:00 noon, Friday, May 10, 1991. 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, May 10, 1991.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SEVENTH SESSION—1991

FIFTY-FIRST DAY

SAINT PAUL, MINNESOTA, FRIDAY, MAY 10, 1991

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 John Strohschein, Pastor of Messiah Lutheran Church, Forest Lake, Minnesota.

The roll was called and the following members were present:

Abrams	Frederick	Kinkel	Olsen, S.	Skoglund
Anderson, I.	Frerichs	Knickerbocker	Olson, E.	Smith
Anderson, R.	Garcia	Koppendrayner	Olson, K.	Solberg
Anderson, R. H.	Girard	Krinkie	Onnen	Sparby
Battaglia	Goodno	Krueger	Orenstein	Stanias
Bauerly	Greenfield	Lasley	Orfield	Steensma
Beard	Gruenes	Leppik	Osthoff	Sviggun
Begich	Gutknecht	Lieder	Ostrom	Swenson
Bertram	Hanson	Limmer	Ozment	Thompson
Bettermann	Hartle	Long	Pauly	Tompkins
Bishop	Hasskamp	Lourey	Fellow	Trimble
Blatz	Haukoos	Lynch	Pelowski	Tunheim
Bodahl	Hausman	Macklin	Peterson	Uphus
Boo	Heir	Mariani	Pugh	Valento
Brown	Henry	Marsh	Reding	Vellenga
Carlson	Hufnagle	McEachern	Rest	Wagenius
Carruthers	Hugoson	McGuire	Rice	Waltman
Clark	Jacobs	McPherson	Rodosovich	Weaver
Cooper	Janezich	Milbert	Rukavina	Wejeman
Dauner	Jefferson	Morrison	Runbeck	Welker
Dauids	Jennings	Munger	Sarna	Welle
Dawkins	Johnson, A.	Murphy	Schafer	Wenzel
Dempsey	Johnson, R.	Nelson, K.	Scheid	Winter
Dille	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Dorn	Kahn	Newinski	Seaberg	
Erhardt	Kalis	O'Connor	Segal	
Farrell	Kelso	Ogren	Simoneau	

A quorum was present.

Jaros and Omann were excused.

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

S. F. No. 520 and H. F. No. 1295, 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. 520 be substituted for H. F. No. 1295 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 782 and H. F. No. 1055, 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. 782 be substituted for H. F. No. 1055 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1091 and H. F. No. 1176, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Hanson moved that the rules be so far suspended that S. F. No. 1091 be substituted for H. F. No. 1176 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Long from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 1655, A bill for an act relating to taxation; authorizing the department of trade and economic development to issue obligations to finance construction of aircraft maintenance and repair

facilities; providing tax credits for job creation; providing an exemption from sales tax for certain equipment and materials; authorizing establishment of tax increment financing districts in the cities of Duluth and Hibbing; authorizing the metropolitan airports commission to operate outside the metropolitan area; amending Minnesota Statutes 1990, sections 290.06, by adding a subdivision; 360.013, subdivision 5; 360.032, subdivision 1; 360.038, subdivision 4; 473.608, subdivision 1; and 473.667, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 297A; and 473; proposing coding for new law as Minnesota Statutes, chapter 116R.

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

The report was adopted.

SECOND READING OF SENATE BILLS

S. F. Nos. 520, 782 and 1091 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Jaros, Munger and Murphy introduced:

H. F. No. 1692, A bill for an act relating to retirement; public employees police and fire retirement fund local relief association consolidation accounts; providing for the establishment of a single local relief consolidation account for all consolidating relief associations located in the municipality; amending Minnesota Statutes 1990, section 353A.09, subdivision 1.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 934, A bill for an act relating to motor vehicles; prohibiting registration of vehicle for which salvage certificate of title is issued; amending Minnesota Statutes 1990, section 168A.152, subdivision 1.

H. F. No. 1475, A bill for an act relating to education; requiring post-secondary governing boards to report on cultural diversity.

H. F. No. 1551, A bill for an act relating to retirement; Edina volunteer firefighters relief association; modifying limitations on survivor benefit coverage; amending Laws 1965, chapter 592, section 4, as amended.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 478, A bill for an act relating to elections; changing requirement of absentee ballot applications for deer hunters; facilitating voting by certain students; defining certain terms; providing for use of certain facilities for elections; clarifying uses to be made of lists of registered voters; requiring commissioner of health to report deaths to secretary of state; authorizing facsimile applications for absentee ballots; authorizing certain experimental procedures for absentee ballots and mail balloting; requiring notarized affidavits of candidacy; providing for voting methods in combined local elections; providing order of counting gray box ballots; changing time for issuance of certificates of election; clarifying effect of changing the year of municipal elections; changing certain deadlines; authorizing an experimental school board election; changing procedures for hospital district elections; amending Minnesota Statutes 1990, sections 97A.485, subdivision 1a; 200.02, by adding a subdivision; 201.061, subdivision 3; 201.091, subdivisions 1 and 4; 201.13, subdivision 1; 203B.02, by adding a subdivision; 203B.04, subdivision 1; 204B.09, subdivision 1; 204B.16, subdivision 6, and by adding a subdivision; 204B.32; 204B.35, by adding a subdivision; 204B.45, by adding a subdivision; 204C.19, subdivision 2; 204C.40, subdivision 2; 205.07, subdivision 1, and by adding a subdivision; 205.16, subdivision 4; 205A.04; 205A.07, subdivision 3; and 447.32,

subdivisions 2, 3, and 4; proposing coding for new law in Minnesota Statutes, chapters 135A and 201.

PATRICK E. FLAHAVEN, Secretary of the Senate

Lasley moved that the House refuse to concur in the Senate amendments to H. F. No. 478, 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. 1631, 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 1990, sections 2.722, subdivision 1, and by adding a subdivision; 3.885, subdivisions 3 and 6; 8.06; 14.07, subdivisions 1 and 2; 14.08; 14.26; 15.191, subdivision 1; 15.50, subdivision 3; 15A.081, subdivision 1; 16A.27, subdivision 5; 16A.45, subdivision 1; 16A.641, subdivision 3; 16A.662, subdivision 4; 16A.672, subdivision 9; 16A.69, by adding a subdivision; 16A.721, subdivision 1; 16B.24, subdivisions 5 and 6; 16B.36, subdivision 1; 16B.41, subdivision 2, and by adding a subdivision; 16B.465, subdivision 4; 16B.48, subdivision 2; 17.49, subdivision 1; 62D.122; 62J.02, subdivisions 2 and 3; 69.031, subdivision 5; 69.77, subdivision 2b; 79.34, subdivision 1; 103B.311, subdivision 7; 103B.315, subdivision 5; 103F.761, subdivision 1; 103H.101, subdivision 4; 103H.175, subdivisions 1 and 2; 115A.072, subdivision 1; 116C.03, subdivisions 2, 4, and 5; 116C.712, subdivisions 3 and 5; 116J.8765, by adding a subdivision; 116L.03, subdivisions 1 and 2; 124C.03, subdivisions 2, 3, 8, 9, 10, 12, 14, 15, and 16; 126A.02, subdivisions 1 and 2; 126A.03; 128C.12, subdivision 1; 138.17, subdivision 1; 144.70, subdivision 2; 144A.071, subdivision 5; 145.926, subdivisions 1, 4, 5, 7, and 8; 145A.02, subdivision 16; 145A.09, subdivision 6; 160.276, by adding a subdivision; 214.141; 256H.25, subdivision 1; 268.361, subdivision 3; 271.06, subdivision 4; 271.19; 275.14;

275.51, subdivision 6; 275.54, subdivision 3; 299A.30, subdivision 2; 299A.31, subdivision 1; 299A.40, subdivision 4; 356.215, subdivisions 4d and 4g; 356.216; 357.24; 363.121; 368.01, subdivision 1a; 373.40, subdivision 1; 402.045; 422A.05, by adding subdivisions; 422A.101; 422A.17; 422A.23, subdivision 2; 423A.01, subdivision 2; 462.384, subdivision 7; 462.396, subdivision 2; 466A.05, subdivision 1; 469.203, subdivision 4; 469.207, subdivisions 1 and 2; 473.156, subdivision 1; 474A.03, by adding a subdivision; 477A.011, subdivisions 3 and 3a; 477A.014, subdivision 4; 480.181, by adding a subdivision; 480.24, subdivision 3; 480.242, subdivision 2 and by adding a subdivision; 481.10; 490.124, subdivision 4; 504.34, subdivisions 5 and 6; 590.05; 593.48; 609.101, subdivision 1; 611.14; 611.17; 611.18; 611.20; 611.25, subdivision 1; 611.26, subdivision 6, and by adding subdivisions; 611.27, subdivisions 1 and 4; 626.861, by adding a subdivision; 643.29, subdivision 1; Laws 1989, chapter 319, article 19, sections 6; and 7, subdivision 1, and subdivision 4, as amended; chapter 335, article 1, section 7; article 3, section 44, as amended; and Laws 1990, chapter 610, article 1, section 27; proposing coding for new law in Minnesota Statutes, chapters 4; 7; 16A; 16B; 43A; 116J; 270; 356; and 471; repealing Minnesota Statutes 1990, sections 3C.035, subdivision 2; 3C.056; 8.15; 14.32, subdivision 2; 40A.02, subdivision 2; 40A.08; 116K.01; 116K.02; 116K.03; 116K.04; 116K.05; 116K.06; 116K.07; 116K.08; 116K.09; 116K.10; 116K.11; 116K.12; 116K.13; 116K.14; 144.861; 144.874, subdivision 7; 480.250; 480.252; 480.254; 480.256; 611.215, subdivision 4; 611.261; 611.28; 611.29; Laws 1989, chapter 335, article 3, section 54, as amended; and Laws 1990, chapter 604, article 9, section 14.

PATRICK E. FLAHAVEN, Secretary of the Senate

Long moved that the House refuse to concur in the Senate amendments to H. F. No. 1631, 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. 1039, A bill for an act relating to public employees; regulating insurance benefits; amending Minnesota Statutes 1990, sections 43A.04, by adding a subdivision; 43A.13, by adding a subdivision; and 43A.316, subdivision 8.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Wejcman moved that the House concur in the Senate amendments to H. F. No. 1039 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1039, A bill for an act relating to public employees; authorizing rulemaking; regulating insurance benefits; amending Minnesota Statutes 1990, sections 15.46; 43A.04, by adding a subdivision; 43A.13, by adding a subdivision; and 43A.316, subdivision 8.

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

The question was taken on the repassage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Farrell	Kinkel	Olsen, S.	Skoglund
Anderson, I.	Frederick	Knickerbocker	Olson, E.	Smith
Anderson, R.	Frerichs	Koppendrayner	Olson, K.	Solberg
Anderson, R. H.	Garcia	Krinkie	Onnen	Sparby
Battaglia	Girard	Krueger	Orenstein	Stanius
Bauerly	Goodno	Lasley	Orfield	Steensma
Beard	Greenfield	Leppik	Osthoff	Sviggum
Begich	Gruenes	Lieder	Ostrom	Swenson
Bertram	Gutknecht	Limmer	Ozment	Thompson
Bettermann	Hanson	Long	Pauly	Tompkins
Bishop	Hartle	Lourey	Pellow	Trimble
Blatz	Hasskamp	Lynch	Pelowski	Tunheim
Bodahl	Haukoos	Macklin	Peterson	Uphus
Boo	Hausman	Mariani	Pugh	Valento
Brown	Heir	Marsh	Reding	Vellenga
Carlson	Henry	McEachern	Rest	Wagenius
Carruthers	Hugoson	McGuire	Rodosovich	Waltman
Clark	Jacobs	McPherson	Rukavina	Weaver
Cooper	Janezich	Milbert	Runbeck	Wejcman
Dauner	Jefferson	Morrison	Sarna	Welker
Dauids	Jennings	Murphy	Schafer	Welle
Dawkins	Johnson, R.	Nelson, K.	Scheid	Wenzel
Dempsey	Johnson, V.	Nelson, S.	Schreiber	Winter
Dille	Kahn	Newinski	Seaberg	Spk. Vazasek
Dorn	Kalis	O'Connor	Segal	
Erhardt	Kelso	Ogren	Simoneau	

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. 793, A bill for an act relating to the environment; establishing maximum content levels of mercury in batteries; prohibiting certain batteries; amending Minnesota Statutes 1990,

sections 115A.9155, subdivision 2; 325E.125, subdivision 2, and by adding a subdivision; and 325E.1251.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Dahl, Merriam 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

Wagenius 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. 793. 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. 81, A bill for an act relating to towns; clarifying certain provisions for the terms of town supervisor; providing for the compensation of certain town officers and employees; amending Minnesota Statutes 1990, sections 367.03, subdivision 1; and 367.05, subdivision 1.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Mr. Hottinger; Mrs. Adkins and Mr. Day.

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

Janezich 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. 81. The motion prevailed.

Mr. Speaker:

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

S. F. Nos. 195, 1152, 1284, 811, 1064 and 1300.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 195, A bill for an act relating to drivers' licenses; making technical changes; clarifying procedure for review of driver's license revocation or disqualification under implied consent law; defining hazardous materials, commercial motor vehicle, and farm truck; allowing holder of a limited license to obtain a Minnesota identification card; allowing class C driver's license holder to tow when the gross weight of the vehicles is 26,000 pounds or less; requiring holder of class A, B, or CC driver's license to have medical examiner's certificate in possession; restricting exemption for drivers of certain federal vehicles from requirement to possess commercial driver's license; clarifying offenses for which driver may be disqualified from holding commercial driver's license; requiring person whose driver's license has been revoked to pass examination under certain circumstances; permitting qualified driver to obtain limited license following revocation for failure to have vehicle insurance; amending Minnesota Statutes 1990, sections 169.01, subdivision 75, and by adding a subdivision; 169.121, subdivision 8; 169.123, subdivisions 5c and 8; 171.01, subdivision 22, and by adding subdivisions; 171.02, subdivisions 1 and 2; 171.03; 171.07, subdivision 3; 171.165, subdivision 3; 171.29, subdivision 1; and 171.30, subdivision 1.

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

S. F. No. 1152, A bill for an act relating to motor vehicles; authorizing the registrar of motor vehicles to prorate the original registration on groups of passenger motor vehicles presented to St. Paul by a lessor; amending Minnesota Statutes 1990, section 168.017, subdivision 3.

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

S. F. No. 1284, A bill for an act relating to agriculture; changing the livestock market agency and dealer licensing act; amending

Minnesota Statutes 1990, sections 17A.01; 17A.03, subdivisions 1 and 7; 17A.04, subdivision 1; 17A.14; proposing coding for new law in Minnesota Statutes, chapter 17A; repealing Minnesota Statutes 1990, section 17A.15.

The bill was read for the first time.

Olson, E., moved that S. F. No. 1284 and H. F. No. 1305, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 811, A bill for an act relating to retirement; providing certain survivor benefits to certain persons under the public employees retirement association police and fire plan.

The bill was read for the first time.

O'Connor moved that S. F. No. 811 and H. F. No. 371, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1064, A bill for an act relating to waters; exempting certain proceedings by the board of water and soil resources from the administrative procedure act; changing administrative appeal procedures; authorizing appeals to the court of appeals; exempting the Minnesota housing finance agency from restrictions on transfers of marginal land and wetlands; limiting a prohibition on certain new water use permits to the metropolitan area; exempting tree and shrub planting from certain notification requirements; amending Minnesota Statutes 1990, sections 103B.345, subdivisions 2 and 4; 103D.105, subdivision 1; 103D.111; 103F.535, subdivision 1; 103G.271, subdivision 4a; and 216D.01, subdivision 5.

The bill was read for the first time.

Jennings moved that S. F. No. 1064 and H. F. No. 999, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1300, A bill for an act relating to agriculture; allowing exemption of certain garbage from requirements for feeding to livestock or poultry; amending Minnesota Statutes 1990, section 35.73, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 35.

The bill was read for the first time.

Girard moved that S. F. No. 1300 and H. F. No. 1391, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

REPORT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

Long, from the Committee on Rules and Legislative Administration, pursuant to rule 1.09, designated the following bills as Special Orders to be acted upon immediately preceding printed Special Orders pending for today, Friday, May 10, 1991:

H. F. No. 540; S. F. Nos. 950 and 962; H. F. Nos. 1417 and 474; S. F. No. 1034; H. F. No. 748; S. F. No. 765; H. F. Nos. 1088, 1457 and 1295; S. F. Nos. 588, 1295 and 561; H. F. No. 871; S. F. No. 762; H. F. No. 794; S. F. Nos. 910, 274 and 822; H. F. Nos. 1389 and 1132; and S. F. Nos. 785, 86 and 1178.

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.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1086

A bill for an act relating to the financing and operation of government in Minnesota; establishing a homestead credit trust fund; allowing the imposition of certain local taxes and fees; modifying the administration, computation, collection, and enforcement of taxes and assessments; imposing taxes; changing tax classes, rates, bases, credits, exemptions, withholding, and payments; modifying levy limits and aids to local governments; updating references to the Internal Revenue Code; modifying tax increment financing laws; changing definitions; changing certain bonding provisions; providing for suspension of mandate requirements; providing for certain fund transfers; changing provisions for light rail transit; changing certain eminent domain powers; making technical corrections and clarifications; enacting provisions relating to certain cities, counties, watershed districts, and independent school dis-

tricts; requiring studies; imposing a fee; imposing a surtax; changing certain provisions relating to certain ambulance and emergency services personnel plans; prescribing penalties; appropriating money; amending Minnesota Statutes 1990, sections 13.51, subdivision 2; 14.03, subdivision 3; 18.022, subdivision 2; 43A.316, subdivision 9; 60A.19, subdivision 8; 69.011, subdivisions 1 and 3; 69.021, subdivisions 4, 6, 7, 8, and 9; 69.54; 84.82, by adding a subdivision; 115B.24, subdivision 2; 116.07, subdivision 4h; 124A.03, subdivision 2, and by adding a subdivision; 138.17, subdivision 1a; 171.06, by adding a subdivision; 268.161, subdivision 1; 270.067, subdivisions 1 and 2; 270.11, subdivision 6; 270.12, subdivision 2, and by adding a subdivision; 270.274, subdivision 1; 270.60; 270.66, subdivision 3; 270.68, subdivision 1; 270.69, subdivisions 2, 8, 9, and by adding a subdivision; 270.70, subdivision 10; 270.75, subdivision 4; 270A.03, subdivision 7; 270B.09; 272.02, subdivision 4; 272.025, subdivision 1; 272.31; 272.479; 272.482; 272.483; 272.485; 272.486; 272.67, subdivision 6; 273.11, subdivision 1, and by adding subdivisions; 273.111, subdivision 6; 273.112, subdivisions 1, 2, 3, and 4; 273.12; 273.124, subdivisions 1, 7, 13, and 14; 273.13, subdivisions 22, 23, 24, 25, 31, 32, and by adding a subdivision; 273.1398, subdivisions 6 and 7; 273.1399, subdivisions 1 and 3; 275.065, subdivisions 1a, 3, 5a, and 6; 275.08, subdivision 1b; 275.125, by adding a subdivision; 275.50, subdivisions 5, 5a, and 5b; 275.51, subdivisions 3f, 3h, and 3j; 275.54, subdivision 3; 276.04, subdivision 2; 276.041; 277.01; 278.01; 279.01, subdivisions 1 and 2; 279.03, subdivision 1a; 279.06; 281.17; 282.01, subdivision 1; 287.22; 289A.01; 289A.02, by adding a subdivision; 289A.08, by adding a subdivision; 289A.11, subdivision 1; 289A.12, by adding a subdivision; 289A.18, subdivisions 1, 2, and 4; 289A.19, subdivisions 1 and 2; 289A.20, subdivisions 1, 2, 4, and by adding a subdivision; 289A.25, subdivision 10; 289A.26, subdivisions 1, 6, and by adding a subdivision; 289A.30, subdivision 1; 289A.31, subdivision 1; 289A.35; 289A.37, subdivision 1; 289A.38, subdivisions 9, 10, and 12; 289A.42, subdivisions 1 and 2; 289A.50, subdivision 1; 289A.56, subdivision 2; 289A.60, subdivisions 2, 4, 12, 15, and by adding a subdivision; 290.01, subdivisions 19, 19a, 19b, and 19d; 290.014, subdivisions 2, 3, 4, and 5; 290.05, subdivision 3; 290.06, subdivisions 2c, 2d, 21, 22, 23, and by adding subdivisions; 290.067, subdivisions 1 and 2a; 290.068, subdivisions 1, 2, and 5; 290.0802, subdivisions 1 and 2; 290.091, subdivisions 1 and 2; 290.0921, subdivision 8; 290.0922, subdivision 1, and by adding a subdivision; 290.17, subdivisions 1, 2, and 5; 290.191, subdivisions 6, 8, and 11; 290.35, subdivision 3; 290.431; 290.611, subdivision 1; 290.92, subdivisions 1, 4b, 4c, 12, 26, 27, and by adding a subdivision; 290.923, by adding a subdivision; 290.9727, subdivisions 1, 3, and by adding subdivisions; 290A.03, subdivisions 3 and 7; 290A.04, by adding a subdivision; 290A.05; 290A.091; 295.01, subdivision 10; 295.34, subdivision 1; 296.026, subdivisions 2, 7, and by adding a subdivision; 296.14, subdivision 1; 297.01, subdivision 7; 297.03, subdivisions 1, 2, 4, and 6; 297.07, subdivision 5; 297.08, subdivision 1; 297.11, subdivision 1, and by adding subdivisions; 297.35, subdivision 1; 297.43, by adding a subdivision; 297A.01, subdivisions 3, 8,

10, 15, and by adding a subdivision; 297A.02, subdivisions 1, 2, 3, and by adding subdivisions; 297A.14, by adding a subdivision; 297A.15, by adding a subdivision; 297A.21, subdivisions 1 and 4; 297A.211, subdivision 2; 297A.24; 297A.25, subdivisions 1, 10, 11, 12, and by adding a subdivision; 297A.255, subdivision 5; 297A.257, subdivisions 2 and 2a; 297A.259; 297A.44, subdivision 1, and by adding a subdivision; 297B.02, by adding a subdivision; 297B.09, by adding a subdivision; 297C.03, subdivisions 1 and 6; 297C.04; 297C.10, by adding a subdivision; 297D.01, subdivision 3; 297D.02; 297D.04; 297D.05; 297D.07; 297D.09, subdivisions 1 and 1a; 297D.11; 297D.12, subdivision 1; 297D.13, subdivisions 1 and 3; 297D.14; 298.01, subdivisions 3, 4, and by adding subdivisions; 298.015, subdivision 1; 298.16; 298.21; 298.27; 325D.32, subdivision 10, and by adding a subdivision; 325D.415; 336.9-411; 349.212, subdivision 4; 353D.01; 353D.02; 353D.03; 353D.05; 353D.06; 357.18, subdivision 2; 375.192, subdivision 2; 386.46; 398A.04, subdivision 8; 414.031, subdivision 6; 414.0325, subdivision 4; 414.033, subdivision 7; 414.06, subdivision 4; 414.061, subdivision 3; 430.102, subdivisions 3 and 4; 462C.03, subdivision 10; 469.012, subdivision 8; 469.176, subdivision 1; 469.1763, subdivisions 1, 2, 3, 4, and by adding a subdivision; 469.177, subdivisions 1 and 8; 469.1771, subdivisions 2 and 4; 469.179, by adding a subdivision; 469.190, subdivision 7; 473.3994, by adding a subdivision; 473.843, subdivision 3; 473F.01; 473F.02, subdivisions 3, 8, 12, and 13; 473F.05; 473F.06; 473F.07; 473F.08, subdivisions 2, 5, and 6; 473F.09; 473F.13, subdivision 1; 477A.011, subdivisions 27, as amended, and 28, as amended; 477A.012, subdivision 6, as added, and by adding a subdivision; 477A.013, subdivision 8, as added; 477A.0135, as added; 477A.014, subdivisions 1, as amended, 4, and by adding subdivisions; 477A.015; 477A.03, subdivision 1; 508.25; 508A.25; 515A.1-105, subdivision 1; Laws 1974, chapter 285, section 4, as amended; Laws 1980, chapter 511, section 1, subdivision 2; Laws 1986, chapter 462, section 31; Laws 1987, chapter 268, article 11, section 12; Laws 1989, First Special Session chapter 1, article 14, section 16; Laws 1990, chapter 604, article 2, section 22; article 3, section 46, subdivision 1; and article 6, section 11; proposing coding for new law in Minnesota Statutes, chapters 16A; 117; 268; 270; 272; 273; 275; 276; 277; 290; 295; 296; 297; 297A; 325D; 353D; 373; 451; and 471; repealing Minnesota Statutes 1990, sections 272.487; 272.50; 272.51; 272.52; 272.53; 273.137; 273.1398; 277.02; 277.05; 277.06; 277.07; 277.08; 277.09; 277.10; 277.11; 277.12; 277.13; 289A.19, subdivision 6; 290.068, subdivision 6; 290.069, subdivisions 2a, 4a, and 4b; 290.17, subdivision 7; 290.191, subdivision 7; 290.48, subdivisions 5 and 8; 296.028; 297A.257, subdivisions 1, 2b, and 3; 297A.39, subdivision 9; 298.05; 298.06; 298.07; 298.08; 298.09; 298.10; 298.11; 298.12; 298.13; 298.14; 298.15; 298.19; 298.20; 473F.02, subdivisions 9, 11, 16, 17, 18, 19, and 20; 473F.12; 473F.13, subdivisions 2 and 3; 477A.011; 477A.012; 477A.013; 477A.014; 477A.015; 477A.016; 477A.017; and 477A.03; Laws 1986, chapter 399, article 1, section 5; and Laws 1989, chapter 277, article 4, section 2.

May 10, 1991

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. 1086, 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. 1086 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
PROPERTY TAXES

Section 1. Minnesota Statutes 1990, section 13.51, subdivision 2, is amended to read:

Subd. 2. [INCOME PROPERTY ASSESSMENT DATA.] The following data collected by political subdivisions from individuals or business entities concerning income properties are classified as private or nonpublic data pursuant to section 13.02, subdivisions 9 and 12:

- (a) detailed income and expense figures for the current year plus the previous three years;
- (b) average vacancy factors for the previous three years;
- (c) verified net rentable areas or net usable areas, whichever is appropriate;
- (d) anticipated income and expenses for the current year; ~~and~~
- (e) projected vacancy factor for the current year; and
- (f) lease information.

Sec. 2. Minnesota Statutes 1990, section 13.51, is amended by adding a subdivision to read:

Subd. 3. [DATA ON INCOME OF INDIVIDUALS.] Income information on individuals collected and maintained by political subdivi-

visions to determine eligibility of property for classification 4c under section 273.13, subdivision 25, paragraph (c), is private data on individuals as defined in section 13.02, subdivision 12.

Sec. 3. Minnesota Statutes 1990, section 13.54, is amended by adding a subdivision to read:

Subd. 5. [PRIVATE DATA ON INDIVIDUALS.] Income information on individuals collected and maintained by a housing agency to determine eligibility of property for classification 4c under section 273.13, subdivision 25, paragraph (c), is private data on individuals as defined in section 13.02, subdivision 12. The data may be disclosed to the county and local assessors responsible for determining eligibility of the property for classification 4c.

Sec. 4. [117.57] [AUTHORITIES; RAILROAD PROPERTIES.]

Subdivision 1. [EMINENT DOMAIN.] The power of eminent domain of an authority, as defined in section 469.174, subdivision 2, extends to railroad properties located within the authority's limits, provided:

(1) the railroad property is not a line of track for which abandonment is required under federal law, or if it is a line of track for which abandonment is required under federal law, abandonment has been approved;

(2) some part of the property contains land pollution as defined in section 116.06, or contains a release or threatened release of petroleum, as provided in chapter 115C, or contains a release or threatened release of a pollutant, contaminant, hazardous substance, or hazardous waste, as provided in chapter 115B; and

(3) the authority intends to develop the property and has a plan for its cleanup and development within five years in order to maximize its market value.

Upon a showing by the petitioner in condemnation proceedings that the conditions described in clauses (1) to (3) exist, then the public use to which the authority would put the property is adjudged a superior public use to railroad use or any other past, present, or proposed future use, regardless of whether the property is held in trust, was previously acquired by condemnation, or is owned by a railroad.

Subd. 2. [RELATION TO STATE RAIL BANK.] Nothing in this section shall supersede the provisions of section 222.63.

Subd. 3. [RELATION TO REGIONAL RAILROAD AUTHORITIES.] An authority shall not be adjudged to have a superior public

use to that of a regional railroad authority as defined in section 398A.01 or a state trail covered by section 85.015.

Sec. 5. Minnesota Statutes 1990, section 124A.03, subdivision 2, is amended to read:

Subd. 2. [REFERENDUM LEVY.] (a) The levy authorized by section 124A.23, subdivision 2, may be increased in the amount approved by the voters of the district at a referendum called for the purpose. The referendum may be called by the school board or shall be called by the school board upon written petition of qualified voters of the district. Unless the referendum is conducted by mail under paragraph (g), the referendum must be held on the first Tuesday after the first Monday in November. The ballot shall state the maximum amount of the increased levy as a percentage of net tax capacity, the amount that will be raised by that local tax rate in the first year it is to be levied, and that the local tax rate shall be used to finance school operations. The ballot may state that existing levy authority is expiring. In this case, the ballot may also compare the proposed levy authority to the existing expiring levy authority, and express the proposed increase as the amount, if any, over the expiring authority. The ballot shall designate the specific number of years for which the referendum authorization shall apply. The ballot may contain a textual portion with the information required in this subdivision and a question stating substantially the following:

“Shall the increase in the levy proposed by (petition to) the board of, School District No. ..., be approved?”

If approved, the amount provided by the approved local tax rate applied to the net tax capacity for the year preceding the year the levy is certified shall be authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.

(b) The school board shall prepare and deliver by first class mail at least 15 days but no more than 30 days prior to the day of the referendum to each taxpayer at the address listed on the school district's current year's assessment roll, a notice of the referendum and the proposed levy increase. For the purpose of giving mailed notice under this subdivision, owners shall be those shown to be owners on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer. Every property owner whose name does not appear on the records of the county auditor or the county treasurer shall be deemed to have waived this mailed notice unless the owner has requested in writing that the county auditor or county treasurer, as the case may be, include the name on the records for this purpose. The notice must project the anticipated amount of increase in annual dollars and annual percentage for typical residential home-

steads, agricultural homesteads, apartments, and commercial-industrial property within the school district.

The notice for a referendum may state that an existing referendum levy is expiring and project the anticipated amount of increase over the existing referendum levy, if any, in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the school district.

The notice must include the following statement: "In 1989 the legislature reduced property taxes for education by increasing the state share of funding for education. However, state aid for cities and townships was reduced by a corresponding amount. As a result, property taxes for cities and townships may increase. Passage of this referendum will result in an increase in your property taxes."

(c) A referendum on the question of revoking or reducing the increased levy amount authorized pursuant to paragraph (a) may be called by the school board and shall be called by the school board upon the written petition of qualified voters of the district. A levy approved by the voters of the district pursuant to paragraph (a) must be made at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one revocation or reduction referendum may be held to revoke or reduce a levy for any specific year and for years thereafter.

(d) A petition authorized by paragraph (a) or (c) shall be effective if signed by a number of qualified voters in excess of 15 percent of the registered voters of the school district on the day the petition is filed with the school board. A referendum invoked by petition shall be held on the date specified in paragraph (a).

(e) The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this subdivision.

(f) At least 15 days prior to the day of the referendum, the district shall submit a copy of the notice required under paragraph (b) to the commissioner of education. Within 15 days after the results of the referendum have been certified by the school board, or in the case of a recount, the certification of the results of the recount by the canvassing board, the district shall notify the commissioner of education of the results of the referendum.

(g) Any referendum under this section held on a day other than the first Tuesday after the first Monday in November must be conducted by mail in accordance with section 204B.46. Notwithstanding paragraph (b) to the contrary, in the case of a referendum conducted by mail under this paragraph, the notice required by

paragraph (b) shall be prepared and delivered by first class mail at least 20 days before the referendum.

Sec. 6. Minnesota Statutes 1990, section 124A.03, is amended by adding a subdivision to read:

Subd. 2a. (SCHOOL REFERENDUM LEVY; MARKET VALUE.) Notwithstanding the provisions of subdivision 2, a school referendum levy approved after November 1, 1992, for taxes payable in 1993 and thereafter, shall be levied against the market value of all taxable property. Any referendum levy amount subject to the requirements of this subdivision shall be certified separately to the county auditor under section 275.07.

The ballot shall state the maximum amount of the increased levy as a percentage of market value, the amount that will be raised by that new school referendum tax rate in the first year it is to be levied, and that the new school referendum tax rate shall be used to finance school operations.

If approved, the amount provided by the new school referendum tax rate applied to the market value for the year preceding the year the levy is certified, shall be authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.

All other provisions of subdivision 2 that do not conflict with this subdivision shall apply to referendum levies under this subdivision.

Sec. 7. Minnesota Statutes 1990, section 270.12, subdivision 2, is amended to read:

Subd. 2. The board shall meet annually between April 15 and June 30 at the office of the commissioner of revenue and examine and compare the returns of the assessment of the property in the several counties, and equalize the same so that all the taxable property in the state shall be assessed at its market value, subject to the following rules:

(1) The board shall add to the aggregate valuation of the real property of every county, which the board believes to be valued below its market value in money, such percent as will bring the same to its market value in money;

(2) The board shall deduct from the aggregate valuation of the real property of every county, which the board believes to be valued above its market value in money, such percent as will reduce the same to its market value in money;

(3) If the board believes the valuation for a part of a class

determined by a range of market value under clause (8), a class, or classes of the real property of any town or district in any county, or the valuation for a part of a class, a class, or classes of the real property of any county not in towns or cities, should be raised or reduced, without raising or reducing the other real property of such county, or without raising or reducing it in the same ratio, the board may add to, or take from, the valuation of a part of a class, a class, or classes in any one or more of such towns or cities, or of the property not in towns or cities, such percent as the board believes will raise or reduce the same to its market value in money;

(4) The board shall add to the aggregate valuation of any class of personal property of any county, town, or city, which the board believes to be valued below the market value thereof, such percent as will raise the same to its market value in money;

(5) The board shall take from the aggregate valuation of any class of personal property in any county, town or city, which the board believes to be valued above the market value thereof, such percent as will reduce the same to its market value in money;

(6) The board shall not reduce the aggregate valuation of all the property of the state, as returned by the several county auditors, more than one percent on the whole valuation thereof;

(7) When it would be of assistance in equalizing values the board may require any county auditor to furnish statements showing assessments of real and personal property of any individuals, firms, or corporations within the county. The board shall consider and equalize such assessments and may increase the assessment of individuals, firms, or corporations above the amount returned by the county board of equalization when it shall appear to be undervalued, first giving notice to such persons of the intention of the board so to do, which notice shall fix a time and place of hearing. The board shall not decrease any such assessment below the valuation placed by the county board of equalization; ~~and~~

(8) In equalizing values pursuant to this section, the board shall utilize a 12-month assessment/sales ratio study conducted by the department of revenue containing only sales that are filed in the county auditor's office under section 272.115, by November 1 of the previous year and that occurred between October 1 of the year immediately preceding the previous year and September 30 of the previous year.

The assessment/sales ratio study may separate the values of residential property into market value categories. The board may adjust the market value categories and the number of categories as necessary to create an adequate sample size for each market value category. The board may determine the adequate sample size. To the extent practicable, the methodology used in preparing the

assessment/sales ratio study must be consistent with the most recent Standard on Assessment Sales Ratio Studies published by the assessment standards committee of the International Association of Assessing Officers. The board may determine the geographic area used in preparing the study to accurately equalize values. A sales ratio study separating residential property into market value categories may not be used as the basis for a petition under chapter 278.

The sales prices used in the study must be discounted for terms of financing. The board shall use the median ratio as the statistical measure of the level of assessment for any particular category of property; and

(9) The board shall receive from each county the estimated market values on the assessment date falling within the study period for all parcels by magnetic tape or other medium as prescribed by the commissioner of revenue.

Sec. 8. Minnesota Statutes 1990, section 271.04, is amended to read:

271.04 [HEARINGS.]

The tax court shall hold hearings and meetings as may be prescribed by the rules of the tax court, including a rule on the admissibility of evidence not produced 30 days before a hearing by an owner of income-producing property. The principal office of the tax court shall be in Saint Paul, but it shall hold hearings at any other place within the state, so that taxpayers may appear before the court with as little inconvenience and expense to the taxpayer as is practicable. The tax court shall be allowed to use the district court court room in all of the counties. The administrator of the tax court shall consult with the court administrator of the district court involved before a schedule of court room to be used by the tax court is established. Each tax court judge may hear and decide cases. Upon petition by a party to a case, or upon a motion by a tax court judge, and approval by a majority of the tax court, a case may be tried before the entire tax court. When an appeal is taken by a resident taxpayer from an order of the commissioner, not involving property taxes, venue for the case shall be, at the election of the taxpayer, in Ramsey county or in the district court judicial district in which the taxpayer resides. Venue shall be in Ramsey county for an appeal taken by a nonresident taxpayer from an order of the commissioner. Venue for all other cases arising under the tax laws of the state shall be in the same judicial district as if the case was being tried in district court.

Sec. 9. Minnesota Statutes 1990, section 271.21, subdivision 6, is amended to read:

Subd. 6. The hearing in the small claims division shall be

informal and without a jury. The judge may hear any testimony and receive any evidence the judge deems necessary or desirable for a just determination of the case except that evidence relating to the valuation of income-producing property not provided to the county assessor 30 days before a hearing by the property owner is not admissible, except when necessary to prevent undue hardship or when failure to provide is due to the unavailability of the evidence at that time. Sales ratio studies published by the department of revenue may be admissible as a public record without foundation. All testimony shall be given under oath. A party may appear personally or may be represented or accompanied by an attorney. No transcript of the proceedings shall be kept.

Sec. 10. Minnesota Statutes 1990, section 272.02, subdivision 1, is amended to read:

Subdivision 1. All property described in this section to the extent herein limited shall be exempt from taxation:

- (1) all public burying grounds;
- (2) all public schoolhouses;
- (3) all public hospitals;
- (4) all academies, colleges, and universities, and all seminaries of learning;
- (5) all churches, church property, and houses of worship;
- (6) institutions of purely public charity except parcels of property containing structures and the structures described in section 273.13, subdivision 25, paragraph (c), clauses (1), (2), and (3), or paragraph (d);
- (7) all public property exclusively used for any public purpose;
- (8) except for the taxable personal property enumerated below, all personal property and the property described in section 272.03, subdivision 1, paragraphs (c) and (d), shall be exempt.

The following personal property shall be taxable:

- (a) personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, crude oil, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures;

(b) railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80;

(c) personal property defined in section 272.03, subdivision 2, clause (3);

(d) leasehold or other personal property interests which are taxed pursuant to section 272.01, subdivision 2; 273.124, subdivision 7; or 273.19, subdivision 1; or any other law providing the property is taxable as if the lessee or user were the fee owner;

(e) manufactured homes and sectional structures; and

(f) flight property as defined in section 270.071.

(9) Personal property used primarily for the abatement and control of air, water, or land pollution to the extent that it is so used, and real property which is used primarily for abatement and control of air, water, or land pollution as part of an agricultural operation, as a part of a centralized treatment and recovery facility operating under a permit issued by the Minnesota pollution control agency pursuant to chapters 115 and 116 and Minnesota Rules, parts 7001.0500 to 7001.0730, and parts 7045.0020 to 7045.1260, as a wastewater treatment facility and for the treatment, recovery, and stabilization of metals, oils, chemicals, water, sludges, or inorganic materials from hazardous industrial wastes, or as part of an electric generation system. For purposes of this clause, personal property includes ponderous machinery and equipment used in a business or production activity that at common law is considered real property.

Any taxpayer requesting exemption of all or a portion of any real property or any equipment or device, or part thereof, operated primarily for the control or abatement of air or water pollution shall file an application with the commissioner of revenue. The equipment or device shall meet standards, rules, or criteria prescribed by the Minnesota pollution control agency, and must be installed or operated in accordance with a permit or order issued by that agency. The Minnesota pollution control agency shall upon request of the commissioner furnish information or advice to the commissioner. On determining that property qualifies for exemption, the commissioner shall issue an order exempting the property from taxation. The equipment or device shall continue to be exempt from taxation as long as the permit issued by the Minnesota pollution control agency remains in effect.

(10) Wetlands. For purposes of this subdivision, "wetlands" means (1) land described in section 103G.005, subdivision 18, or (2) land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes, provided it is preserved in its natural condition and drainage of it would be legal, feasible, and economically practical for the production of

livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice. "Wetlands" shall include adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands. "Wetlands" shall not include woody swamps containing shrubs or trees, wet meadows, meandered water, streams, rivers, and floodplains or river bottoms. Exemption of wetlands from taxation pursuant to this section shall not grant the public any additional or greater right of access to the wetlands or diminish any right of ownership to the wetlands.

(11) Native prairie. The commissioner of the department of natural resources shall determine lands in the state which are native prairie and shall notify the county assessor of each county in which the lands are located. Pasture land used for livestock grazing purposes shall not be considered native prairie for the purposes of this clause. Upon receipt of an application for the exemption provided in this clause for lands for which the assessor has no determination from the commissioner of natural resources, the assessor shall refer the application to the commissioner of natural resources who shall determine within 30 days whether the land is native prairie and notify the county assessor of the decision. Exemption of native prairie pursuant to this clause shall not grant the public any additional or greater right of access to the native prairie or diminish any right of ownership to it.

(12) Property used in a continuous program to provide emergency shelter for victims of domestic abuse, provided the organization that owns and sponsors the shelter is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1986, notwithstanding the fact that the sponsoring organization receives funding under section 8 of the United States Housing Act of 1937, as amended.

(13) If approved by the governing body of the municipality in which the property is located, property not exceeding one acre which is owned and operated by any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders; provided the property is used primarily as a clubhouse, meeting facility, or recreational facility by the group or association and the property is not used for residential purposes on either a temporary or permanent basis.

(14) To the extent provided by section 295.44, real and personal property used or to be used primarily for the production of hydroelectric or hydromechanical power on a site owned by the state or a local governmental unit which is developed and operated pursuant to the provisions of section 103G.535.

(15) If approved by the governing body of the municipality in which the property is located, and if construction is commenced after June 30, 1983:

(a) a "direct satellite broadcasting facility" operated by a corporation licensed by the federal communications commission to provide direct satellite broadcasting services using direct broadcast satellites operating in the 12-ghz. band; and

(b) a "fixed satellite regional or national program service facility" operated by a corporation licensed by the federal communications commission to provide fixed satellite-transmitted regularly scheduled broadcasting services using satellites operating in the 6-ghz. band.

An exemption provided by clause (15) shall apply for a period not to exceed five years. When the facility no longer qualifies for exemption, it shall be placed on the assessment rolls as provided in subdivision 4. Before approving a tax exemption pursuant to this paragraph, the governing body of the municipality shall provide an opportunity to the members of the county board of commissioners of the county in which the facility is proposed to be located and the members of the school board of the school district in which the facility is proposed to be located to meet with the governing body. The governing body shall present to the members of those boards its estimate of the fiscal impact of the proposed property tax exemption. The tax exemption shall not be approved by the governing body until the county board of commissioners has presented its written comment on the proposal to the governing body or 30 days has passed from the date of the transmittal by the governing body to the board of the information on the fiscal impact, whichever occurs first.

(16) Real and personal property owned and operated by a private, nonprofit corporation exempt from federal income taxation pursuant to United States Code, title 26, section 501(c)(3), primarily used in the generation and distribution of hot water for heating buildings and structures.

(17) Notwithstanding section 273.19, state lands that are leased from the department of natural resources under section 92.46.

(18) Electric power distribution lines and their attachments and appurtenances, that are used primarily for supplying electricity to farmers at retail.

(19) Transitional housing facilities. "Transitional housing facility" means a facility that meets the following requirements. (i) It provides temporary housing to parents and children who are receiving AFDC or parents of children who are temporarily in foster care. (ii) It has the purpose of reuniting families and enabling parents to obtain self-sufficiency, advance their education, get job training, or

become employed in jobs that provide a living wage. (iii) It provides support services such as child care, work readiness training, and career development counseling; and a self-sufficiency program with periodic monitoring of each resident's progress in completing the program's goals. (iv) It provides services to a resident of the facility for at least six months but no longer than three years, except residents enrolled in an educational or vocational institution or job training program. These residents may receive services during the time they are enrolled but in no event longer than four years. (v) It is sponsored by an organization that has received a grant under either section 256.7365 for the biennium ending June 30, 1989, or section 462A.07, subdivision 15, for the biennium ending June 30, 1991, for the purposes of providing the services in items (i) to (iv). (vi) It is sponsored by an organization that is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1987. This exemption applies notwithstanding the fact that the sponsoring organization receives financing by a direct federal loan or federally insured loan or a loan made by the Minnesota housing finance agency under the provisions of either Title II of the National Housing Act or the Minnesota housing finance agency law of 1971 or rules promulgated by the agency pursuant to it, and notwithstanding the fact that the sponsoring organization receives funding under Section 8 of the United States Housing Act of 1937, as amended.

(20) Real and personal property, including leasehold or other personal property interests, owned and operated by a corporation if more than 50 percent of the total voting power of the stock of the corporation is owned collectively by: (i) the board of regents of the University of Minnesota, (ii) the University of Minnesota Foundation, an organization exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1990, and (iii) a corporation organized under Minnesota Statutes, chapter 317A, which by its articles of incorporation is prohibited from providing pecuniary gain to any person or entity other than the regents of the University of Minnesota; which property is used primarily to manage or provide goods, services, or facilities utilizing or relating to large-scale advanced scientific computing resources to the regents of the University of Minnesota and others.

Sec. 11. Minnesota Statutes 1990, section 272.03, subdivision 1, is amended to read:

Subdivision 1. [REAL PROPERTY.] (a) For the purposes of taxation, "real property" includes the land itself, rails, ties, and other track materials annexed to the land, and all buildings, structures, and improvements or other fixtures on it, bridges of bridge companies, and all rights and privileges belonging or appertaining to the land, and all mines, iron ore and taconite minerals not otherwise exempt, quarries, fossils, and trees on or under it.

(b) A building or structure shall include the building or structure itself, together with all improvements or fixtures annexed to the building or structure, which are integrated with and of permanent benefit to the building or structure, regardless of the present use of the building, and which cannot be removed without substantial damage to itself or to the building or structure.

(c) (i) ~~The term "Real property" shall~~ does not include tools, implements, machinery, and equipment attached to or installed in real property for use in the business or production activity conducted thereon, regardless of size, weight or method of attachment, and mine shafts, tunnels, and other underground openings used to extract ores and minerals taxed under chapter 298 together with steel, concrete, and other materials used to support such openings.

(ii) The exclusion provided in clause (i) shall not apply to machinery and equipment includable as real estate by paragraphs (a) and (b) even though such machinery and equipment is used in the business or production activity conducted on the real property if and to the extent such business or production activity consists of furnishing services or products to other buildings or structures which are subject to taxation under this chapter.

(iii) The exclusion provided in clause (i) does not apply to the exterior shell of a structure which constitutes walls, ceilings, roofs, or floors if the shell of the structure has structural, insulation, or temperature control functions or provides protection from the elements. Such an exterior shell is included in the definition of real property even if it also has special functions distinct from that of a building.

(d) The term real property does not include tools, implements, machinery, equipment, poles, lines, cables, wires, conduit, and station connections which are part of a telephone communications system, regardless of attachment to or installation in real property and regardless of size, weight, or method of attachment or installation.

Sec. 12. Minnesota Statutes 1990, section 273.11, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Except as provided in subdivisions 1a, 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. The assessor shall take into account the effect on the market value of property of environmental factors in the vicinity of the property. In assessing any tract or lot of real property, the value of the land, exclusive of structures and improvements, shall be determined, and also the value of all structures and improvements thereon, and the aggregate value of the property, including all structures and improvements, excluding the value of crops growing upon cultivated land. In valuing real property upon which there is a mine or quarry, it shall be valued at such price as such property, including the mine or quarry, would sell for a fair, voluntary sale, for cash. In valuing real property which is vacant, 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 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, that lot ~~or any single contiguous lot fronting on the same street~~ shall be eligible for 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. 13. Minnesota Statutes 1990, section 273.11, is amended by adding a subdivision to read:

Subd. 1a. [GENERAL AND ROUTINE MAINTENANCE.] General and routine maintenance of structures classified under section 273.13, subdivisions 22 and 23, shall not be subject to assessment and shall be disregarded in establishing market value, provided that it is owned by the same taxpayer in the current and previous years' assessment. For purposes of this subdivision, "general and routine maintenance" includes, but is not limited to, the following items:

- (1) roof repair, excluding replacement;
- (2) siding repair, excluding replacement;
- (3) window repair, excluding replacement;
- (4) smoke detection, security, and sprinkler systems;
- (5) plumbing repair, excluding replacement; and
- (6) electrical rewiring.

Sec. 14. Minnesota Statutes 1990, section 273.12, is amended to read:

273.12 [ASSESSMENT OF REAL PROPERTY.]

It shall be the duty of every assessor and board, in estimating and determining the value of lands for the purpose of taxation, to consider and give due weight to every element and factor affecting the market value thereof, including its location with reference to roads and streets and the location of roads and streets thereon or over the same, and to take into consideration a reduction in the acreage of each tract or lot sufficient to cover the amount of land actually used for any improved public highway and the reduction in area of land caused thereby, provided, that in determining the market value of vacant land, the fact that such land is platted shall not be taken into account. An individual lot of such platted property shall not be assessed in excess of the assessment of the land as if it were unplatted until the lot is improved with a permanent improvement all or a portion of which is located upon the lot, or for a period of three years after final approval of said plat whichever is shorter. When a lot is sold or construction begun, the net tax capacity of that lot or any single contiguous lot fronting on the same street shall be eligible for reassessment. It shall be the duty of every assessor and board, in estimating and determining the value of lands for the purpose of taxation, to consider and give due weight to lands which are comparable in character, quality, and location, to the end that all lands similarly located and improved will be assessed upon a uniform basis and without discrimination and, for agricultural lands, to consider and give recognition to its earning potential as measured by its free market rental rate.

Notwithstanding the provisions of this or any other section, no additional value shall be assessed for unmined mineral value except for iron ore or taconite.

Sec. 15. Minnesota Statutes 1990, section 273.124, subdivision 1, is amended to read:

Subdivision 1. [GENERAL RULE.] (a) Residential real estate that is occupied and used for the purposes of a homestead by its owner, who must be a Minnesota resident, is a residential homestead.

Agricultural land, as defined in section 273.13, subdivision 23, that is occupied and used as a homestead by its owner, who must be a Minnesota resident, is an agricultural homestead.

Dates for establishment of a homestead and homestead treatment provided to particular types of property are as provided in this section.

The assessor shall require proof, by affidavit or otherwise, of the facts upon which classification as a homestead may be determined.

(b) For purposes of this section, homestead property shall include property which is used for purposes of the homestead but is separated from the homestead by a road, street, lot, waterway, or other similar intervening property. The term "used for purposes of the homestead" shall include but not be limited to uses for gardens, garages, or other outbuildings commonly associated with a homestead, but shall not include vacant land held primarily for future development. In order to receive homestead treatment for the noncontiguous property, the owner shall apply for it to the assessor by July 1 of the year when the treatment is initially sought. After initial qualification for the homestead treatment, additional applications for subsequent years are not required.

(c) In the case of property owned by a married couple in joint tenancy or tenancy in common, the assessor must not deny homestead treatment in whole or in part if only one of the spouses is occupying the property and the other spouse is absent due to divorce or separation, or is a resident of a nursing home or a boarding care facility.

(d) If an individual is purchasing property with the intent of claiming it as a homestead, and is required by the terms of the financing agreement to have ~~one or both parents~~ a relative shown on the deed as ~~coowners~~ a coowner, the assessor shall allow a full homestead classification and extend full homestead credit. This provision only applies to first time purchasers, whether married or single, or to a person who had previously been married and is purchasing as a single individual for the first time. The application for homestead benefits must be on a form prescribed by the commissioner and must contain the data necessary for the assessor to determine if full homestead benefits are warranted. For purposes of this paragraph, "relative" means a parent, stepparent, child, stepchild, grandparent, brother, sister, uncle, or aunt. This relationship may be by blood or marriage.

(e) In the case of property owned and formerly occupied by two or more persons in joint tenancy or tenancy in common, when those persons are parents and children, and when one or more of the owners ceases to occupy the property, the assessor shall continue to allow a full homestead classification as long as at least one of the owners continues to occupy the property for purposes of a homestead. This paragraph applies only to single family residential property. For purposes of this paragraph, the terms "parents" and "children" include relationships by marriage.

Sec. 16. Minnesota Statutes 1990, section 273.124, subdivision 9, is amended to read:

Subd. 9. [HOMESTEAD ESTABLISHED AFTER ASSESSMENT DATE.] Any property that was not used for the purpose of a homestead on the assessment date, but which was used for the purpose of a homestead by June 1 of a year, constitutes class 1 or class 2a.

Any taxpayer meeting the requirements of this subdivision must notify the county assessor, or the assessor who has the powers of the county assessor pursuant to section 273.063, in writing, prior to June 15 of the year of occupancy in order to qualify under this subdivision. The assessor must not deny full homestead treatment to a property that is partially homesteaded on January 2 but occupied for the purpose of a full homestead by June 1 of a year.

The county assessor and the county auditor may make the necessary changes on their assessment and tax records to provide for proper homestead classification as provided in this subdivision.

The owner of any property qualifying under this subdivision, which has not been accorded the benefits of this subdivision, regardless of whether or not the notification has been timely filed, may be entitled to receive homestead classification by proper application as provided in section 270.07 or 375.192.

The county assessor shall publish in a newspaper of general circulation within the county no later than June 1 of each year a notice informing the public of the requirement to file an application for homestead prior to June 15.

Sec. 17. Minnesota Statutes 1990, section 273.124, subdivision 14, is amended to read:

Subd. 14. [AGRICULTURAL HOMESTEADS; SPECIAL PROVISIONS.] (a) Real estate of less than ten acres that is the homestead of its owner must be classified as class 2a under section 273.13, subdivision 23, paragraph (a), if:

(1) the parcel on which the house is located is contiguous to ~~agricultural land~~ on at least two sides to (i) agricultural land, (ii) land owned or administered by the United States Fish and Wildlife Service, or (iii) land administered by the department of natural resources on which in lieu taxes are paid under sections 477A.11 to 477A.14;

(2) its owner also owns a noncontiguous parcel of agricultural land that is at least 20 acres;

(3) the noncontiguous land is located not farther than two townships or cities, or a combination of townships or cities from the homestead; and

(4) the agricultural use value of the noncontiguous land and farm buildings is equal to at least 50 percent of the market value of the house, garage, and one acre of land.

Homesteads initially classified as class 2a under the provisions of this subdivision shall remain classified as class 2a, irrespective of subsequent changes in the use of adjoining properties, as long as the homestead remains under the same ownership, the owner owns a noncontiguous parcel of agricultural land that is at least 20 acres, and the agricultural use value qualifies under clause (4).

(b) Noncontiguous land shall be included as part of a homestead under section 273.13, subdivision 23, paragraph (a), only if the homestead is classified as class 2a and the detached land is located in the same township or city, or not farther than two townships or cities or combination thereof from the homestead.

(c) Agricultural land used for purposes of a homestead and actively farmed by a person holding a vested remainder interest in it must be classified as a homestead under section 273.13, subdivision 23, paragraph (a). If agricultural land is classified class 2a, any other dwellings on the land used for purposes of a homestead by persons holding vested remainder interests who are actively engaged in farming the property, and up to one acre of the land surrounding each homestead and reasonably necessary for the use of the dwelling as a home, must also be assessed class 2a.

Sec. 18. Minnesota Statutes 1990, section 273.13, subdivision 22, is amended to read:

Subd. 22. [CLASS 1.] (a) Except as provided in subdivision 23, real estate which is residential and used for homestead purposes is class 1. The market value of class 1a property must be determined based upon the value of the house, garage, and land.

The first ~~\$68,000~~ \$72,000 of market value of class 1a property has a net class rate of one percent of its market value and a gross class rate of 2.17 percent of its market value. For taxes payable in 1992, the market value of class 1a property that exceeds ~~\$68,000~~ \$72,000 but does not exceed ~~\$110,000~~ \$115,000 has a class rate of two percent of its market value; and the market value of class 1a property that exceeds \$110,000 \$115,000 has a class rate of ~~three~~ 2.5 percent of its market value. For taxes payable in 1993 and thereafter, the market value of class 1a property that exceeds \$72,000 has a class rate of two percent.

(b) Class 1b property includes real estate or manufactured homes used for the purposes of a homestead by

(1) any blind person, if the blind person is the owner thereof or if

the blind person and the blind person's spouse are the sole owners thereof; or

(2) any person, hereinafter referred to as "veteran," who:

(i) served in the active military or naval service of the United States; and

(ii) is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or a wheelchair; and

(iii) ~~with assistance by the administration of veterans affairs~~ has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, or the surviving spouse of the deceased veteran for as long as the surviving spouse retains the special housing unit as a homestead; or

(3) any person who:

(i) is permanently and totally disabled and

(ii) receives 90 percent or more of total income from

(A) aid from any state as a result of that disability; or

(B) supplemental security income for the disabled; or

(C) workers' compensation based on a finding of total and permanent disability; or

(D) social security disability, including the amount of a disability insurance benefit which is converted to an old age insurance benefit and any subsequent cost of living increases; or

(E) aid under the Federal Railroad Retirement Act of 1937, United States Code Annotated, title 45, section 228b(a)5; or

(F) a pension from any local government retirement fund located in the state of Minnesota as a result of that disability; or

~~(iii)~~ (4) any person who is permanently and totally disabled and whose household income as defined in section 290A.03, subdivision 5, is 150 percent or less of the federal poverty level.

Property is classified and assessed under clause (4) only if the government agency or income-providing source certifies, upon the request of the property owner, that the property owner satisfies the disability requirements of this subdivision.

Property is classified and assessed pursuant to clause (1) only if the commissioner of jobs and training certifies to the assessor that the owner of the property satisfies the requirements of this subdivision.

Permanently and totally disabled for the purpose of this subdivision means a condition which is permanent in nature and totally incapacitates the person from working at an occupation which brings the person an income. The first \$32,000 market value of class 1b property has a net class rate of .45 percent of its market value and a gross class rate of .87 percent of its market value. The remaining market value of class 1b property has a gross or net class rate using the rates for class 1 or class 2a property, whichever is appropriate, of similar market value.

(c) Class 1c property is commercial use real property that abuts a lakeshore line and is devoted to temporary and seasonal residential occupancy for recreational purposes but not devoted to commercial purposes for more than 225 days in the year preceding the year of assessment, and that includes a portion used as a homestead by the owner, which includes a dwelling occupied as a homestead by a shareholder of a corporation that owns the resort or a partner in a partnership that owns the resort, even if the title to the homestead is held by the corporation or partnership. For purposes of this clause, property is devoted to a commercial purpose on a specific day if any portion of the property, excluding the portion used exclusively as a homestead, is used or available for use for residential occupancy and a fee is charged for residential occupancy. Class 1c property has a class rate of .4 percent of the first \$32,000 of market value for taxes payable in 1990, .6 percent of the first \$32,000 of market value for taxes payable in 1991, .8 percent of the first \$32,000 of market value for taxes payable in 1992, and one percent of market value in excess of \$32,000 for taxes payable in 1990, 1991, and 1992, and one percent of total market value for taxes payable in 1993 and thereafter with the following limitation: the area of the property must not exceed 100 feet of lakeshore footage for each cabin or campsite located on the property up to a total of 800 feet and 500 feet in depth, measured away from the lakeshore.

Sec. 19. Minnesota Statutes 1990, section 273.13, subdivision 23, is amended to read:

Subd. 23. [CLASS 2.] (a) Class 2a property is agricultural land including any improvements that is homesteaded. The market value of the house and garage and immediately surrounding one acre of land has the same class rates as class 1a property under subdivision

22. If the market value of the house, garage, and surrounding one acre of land is less than ~~\$110,000~~ \$115,000, the value of the remaining land including improvements equal to the difference between ~~\$110,000~~ \$115,000 and the market value of the house, garage, and surrounding one acre of land has a net class rate of .45 percent of market value and a gross class rate of 1.75 percent of market value. The remaining value of class 2a property over ~~\$110,000~~ \$115,000 of market value that does not exceed 320 acres has a net class rate of 1.3 percent of market value for taxes payable in 1990 and thereafter, and a gross class rate of 2.25 percent of market value. The remaining property over the ~~\$110,000~~ \$115,000 market value in excess of 320 acres has a class rate of 1.7 percent of market value for taxes payable in 1990, and 1.6 percent of market value for taxes payable in 1991, and thereafter, and a gross class rate of 2.25 percent of market value.

(b) Class 2b property is (1) real estate, rural in character and used exclusively for growing trees for timber, lumber, and wood and wood products; and (2) real estate that is nonhomestead agricultural land. Class 2b property has a net class rate of 1.7 percent of market value for taxes payable in 1990, and 1.6 percent of market value for taxes payable in 1991, and thereafter, and a gross class rate of 2.25 percent of market value.

(c) Agricultural land as used in this section means contiguous acreage of ten acres or more, primarily used during the preceding year for agricultural purposes. Agricultural use may include pasture, timber, waste, unusable wild land, and land included in state or federal farm programs. "Agricultural purposes" as used in this section means the raising or cultivation of agricultural products; and includes the commercial boarding of horses if the commercial boarding of horses is done in conjunction with the raising or cultivation of agricultural products.

(d) Real estate of less than ten acres used principally for raising poultry, livestock, fruit, vegetables or other agricultural products, including the breeding of fish for sale and consumption if the fish breeding occurs on land zoned for or cultivating agricultural use products, shall be considered as agricultural land, if it is not used primarily for residential purposes.

(e) The term "agricultural products" as used in the preceding sentence means any of the products identified in section 273-111, this subdivision 6, clause (2) includes:

(1) livestock, dairy animals, dairy products, poultry and poultry products, fur-bearing animals, horticultural and nursery stock described in sections 18.44 to 18.61, fruit of all kinds, vegetables, forage, grains, bees, and apiary products by the owner;

(2) fish bred for sale and consumption if the fish breeding occurs on land zoned for agricultural use;

(3) the commercial boarding of horses if the boarding is done in conjunction with raising or cultivating agricultural products as defined in clause (1); and

(4) property which is owned and operated by nonprofit organizations used for equestrian activities, excluding racing.

(e) (f) If a parcel used for agricultural purposes is also used for commercial or industrial purposes, including but not limited to:

- (1) wholesale and retail sales;
- (2) processing of raw agricultural products or other goods;
- (3) warehousing or storage of processed goods; and
- (4) office facilities for the support of the activities enumerated in clauses (1), (2), and (3),

the assessor shall classify the part of the parcel used for agricultural purposes as class 1b, 2a, or 2b, whichever is appropriate, and the remainder in the class appropriate to its use. The grading, sorting, and packaging of raw agricultural products for first sale is considered an agricultural purpose. A greenhouse or other building where horticultural or nursery products are grown that is also used for the conduct of retail sales must be classified as agricultural if it is primarily used for the growing of horticultural or nursery products from seed, cuttings, or roots and occasionally as a showroom for the retail sale of those products. Use of a greenhouse or building only for the display of already grown horticultural or nursery products does not qualify as an agricultural purpose.

The assessor shall determine and list separately on the records the market value of the homestead dwelling and the one acre of land on which that dwelling is located. If any farm buildings or structures are located on this homesteaded acre of land, their market value shall not be included in this separate determination.

Sec. 20. Minnesota Statutes 1990, 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~~ 3.5 percent of market value for taxes payable in 1992, and 3.4 percent of market value for taxes payable in 1993 and thereafter.

(b) Class 4b includes:

(1) residential real estate containing less than four units, other than seasonal residential, and recreational;

(2) manufactured homes not classified under any other provision;

(3) a dwelling, garage, and surrounding one acre of property on a nonhomestead farm classified under subdivision 23, paragraph (b).

Class 4b property has a class rate of ~~3.0~~ 2.8 percent of market value for taxes payable in 1992, and 2.6 percent of market value for taxes payable in 1993, and 2.5 percent of market value for taxes payable in 1994 and thereafter.

(c) Class 4c property includes:

(1) a structure that is situated on real property that is used for housing for the elderly or for low and moderate income families as defined by Title II of the National Housing Act or the Minnesota housing finance agency law of 1971 or rules promulgated by the agency pursuant thereto and financed by a direct federal loan or federally insured loan or a loan made by the Minnesota housing finance agency pursuant to the provisions of either of those acts and acts amendatory thereof. This clause applies only to property of a nonprofit or limited dividend entity. Property is classified as class 4c under this clause for 15 years from the date of the completion of the original construction or substantial rehabilitation, or for the original term of the loan;

(i) situated on real property that is used for housing for the elderly or for low- and moderate-income families as defined in Title II, as amended through December 31, 1990, of the National Housing Act and financed by a direct federal loan or federally insured loan made pursuant to Title II of the act; or

(ii) situated on real property that is used for housing the elderly or for low- and moderate-income families as defined by the Minnesota housing finance agency law of 1971, as amended, or rules promulgated by the agency pursuant thereto and financed by a loan made by the Minnesota housing finance agency pursuant to the provisions of the act.

This clause applies only to property of a nonprofit or limited dividend entity. Property is classified as class 4c under this clause

for 15 years from the date of the completion of the original construction or substantial rehabilitation, or for the original term of the loan.

(2) a structure that is:

(i) situated upon real property that is used for housing lower income families or elderly or handicapped persons, as defined in section 8 of the United States Housing Act of 1937, as amended; and

(ii) owned by an entity which has entered into a housing assistance payments contract under section 8 which provides assistance for 100 percent of the dwelling units in the structure, other than dwelling units intended for management or maintenance personnel. Property is classified as class 4c under this clause for the term of the housing assistance payments contract, including all renewals, or for the term of its permanent financing, whichever is shorter; and

(3) a qualified low-income building as defined in section 42(c)(2) of the Internal Revenue Code of 1986, as amended through December 31, 1990, that (i) receives a low-income housing credit under section 42 of the Internal Revenue Code of 1986, as amended through December 31, 1988 1990; or (ii) meets the requirements of that section and receives public financing, except financing provided under sections 469.174 to 469.179, which contains terms restricting the rents; or (iii) meets the requirements of section 273.1317. Classification pursuant to this clause is limited to a term of 15 years.

For all properties described in clauses (1), (2), and (3) and in paragraph (d), the market value determined by the assessor must be based on the normal approach to value using normal unrestricted rents unless the owner of the property elects to have the property assessed under section 48. If the owner of the property elects to have the market value determined on the basis of the actual restricted rents, as provided in section 48 the property will be assessed at the rate provided for class 4a or class 4b property, as appropriate. Properties described in clauses (1)(ii), (3), and (4) may apply to the assessor for valuation under section 48. The land on which these structures are situated has the class rate given in paragraph (b) if the structure contains fewer than four units, and the class rate given in paragraph (a) if the structure contains four or more units. This clause applies only to the property of a nonprofit or limited dividend entity.

(4) a parcel of land, not to exceed one acre, and its improvements or a parcel of unimproved land, not to exceed one acre, if it is owned by a neighborhood real estate trust and at least 60 percent of the dwelling units, if any, on all land owned by the trust are leased to or occupied by lower income families or individuals. This clause does not apply to any portion of the land or improvements used for nonresidential purposes. For purposes of this clause, a lower income

family is a family with an income that does not exceed 65 percent of the median family income for the area, and a lower income individual is an individual whose income does not exceed 65 percent of the median individual income for the area, as determined by the United States Secretary of Housing and Urban Development. For purposes of this clause, "neighborhood real estate trust" means an entity which is certified by the governing body of the municipality in which it is located to have the following characteristics: (a) it is a nonprofit corporation organized under chapter 317A; (b) it has as its principal purpose providing housing for lower income families in a specific geographic community designated in its articles or bylaws; (c) it limits membership with voting rights to residents of the designated community; and (d) it has a board of directors consisting of at least seven directors, 60 percent of whom are members with voting rights and, to the extent feasible, 25 percent of whom are elected by resident members of buildings owned by the trust; and

(5) except as provided in subdivision 22, paragraph (c), real property devoted to temporary and seasonal residential occupancy for recreation purposes, including real property devoted to temporary and seasonal residential occupancy for recreation purposes and not devoted to commercial purposes for more than ~~225~~ 250 days in the year preceding the year of assessment. For purposes of this clause, property is devoted to a commercial purpose on a specific day if any portion of the property is used, or available for use for residential occupancy, and a fee is charged for residential occupancy. Class 4c also includes commercial use real property used exclusively for recreational purposes in conjunction with class 4c property devoted to temporary and seasonal residential occupancy for recreational purposes, up to a total of two acres, provided the property is not devoted to commercial recreational use for more than ~~225~~ 250 days in the year preceding the year of assessment and is located within two miles of the class 4c property with which it is used. Class 4c property classified in this clause also includes the remainder of class 1c resorts;

(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~~ 1990. For purposes of this clause, "revenue-producing activities" shall include but not be limited to property or that portion of the property that is used as an on-sale intoxicating liquor or nonintox-

icating malt liquor establishment licensed under chapter 340A, a restaurant open to the public, bowling alley, a retail store, gambling conducted by organizations licensed under chapter 349, an insurance business, or office or other space leased or rented to a lessee who conducts a for-profit enterprise on the premises. Any portion of the property which is used for revenue-producing activities for more than six days in the calendar year preceding the year of assessment shall be assessed as class 3a. The use of the property for social events open exclusively to members and their guests for periods of less than 24 hours, when an admission is not charged nor any revenues are received by the organization shall not be considered a revenue-producing activity;

(7) post-secondary student housing of not more than one acre of land that is owned by a nonprofit corporation organized under chapter 317A and is used exclusively by a student cooperative, sorority, or fraternity for on-campus housing or housing located within two miles of the border of a college campus; and

(8) manufactured home parks as defined in section 327.14, subdivision 3.

Class 4c property has a class rate of 2.3 percent of market value, except that manufactured home park seasonal residential recreational property not used for commercial purposes under clause (8) (5) has a class rate of 2.2 percent of market value for taxes payable in 1991 and 2.3 percent of market value 1992, and for taxes payable in 1992, 1993 and thereafter, the first \$72,000 of market value has a class rate of 2 percent and the market value that exceeds \$72,000 has a class rate of 2.5 percent.

(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 paragraph~~ 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 paragraph (c), clause (1), or this paragraph~~ 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) Class 4e property includes:

(i) buildings and appurtenances, together with the land upon which they are located, leased by the occupant under the community lending model lease-purchase mortgage loan program administered by the Federal National Mortgage Association, provided the occupant's income is no greater than 60 percent of the county or area median income, adjusted for family size and the building consists of existing single family or duplex housing. The lease agreement must provide for a portion of the lease payment to be escrowed as a nonrefundable down payment on the housing; or

(ii) federally acquired buildings under four units and appurtenances, together with the land upon which they are located that is leased to a nonprofit corporation organized under chapter 317A that qualifies for tax exempt status under United States Code, title 26, section 501(c), or a housing and redevelopment authority authorized under sections 469.001 to 469.047; the purpose of the lease must be to allow the nonprofit corporation to provide transitional housing for homeless persons under the program established in Code of Federal Regulations, title 55, section 49489. As used in this subdivision, "transitional housing" has the meaning given in section 268.38, subdivision 1, except that the two-year restriction does not apply. If the property is purchased from the federal government by the nonprofit corporation for the purpose of continuing to provide transitional housing after the expiration of the lease, the property shall continue to be eligible for this classification.

To qualify as class 4e under this paragraph, the taxpayer must apply to the county assessor by May 30 of each year. The application must be accompanied by an affidavit or other proof required by the county assessor to determine qualification under this paragraph.

For taxes payable in 1992, 1993, and 1994, only, class 4e property has a class rate of 1.5 percent of market value, except that property qualifying under item (ii) in 1992, 1993, or 1994 continues to receive a 1.5 percent class rate until the five-year lease has expired.

(f) Residential rental property that would otherwise be assessed as class 4 property under paragraph (a); paragraph (b), clauses (1) and (2); paragraph (c), clause (1), (2), (3), or (4), is assessed at the class

rate applicable to it under Minnesota Statutes 1988, section 273.13, if it is found to be a substandard building under section 273.1316. Residential rental property that would otherwise be assessed as class 4 property under paragraph (d) is assessed at 2.3 percent of market value if it is found to be a substandard building under section 273.1316.

Sec. 21. Minnesota Statutes 1990, section 275.08, subdivision 1b, is amended to read:

Subd. 1b. The amounts certified under section 275.07 after adjustment under section 275.07, subdivision 3, by an individual local government unit, except for any amounts certified under section 124A.03, subdivision 2a, and section 275.60, shall be divided by the total gross tax capacity of all taxable properties within the local government unit's taxing jurisdiction for tax payable in 1989 and by the total net tax capacity of all taxable properties within the local government unit's taxing jurisdiction, for taxes payable in 1990 and thereafter. The resulting ratio, the local government's local tax rate, multiplied by each property's gross tax capacity for taxes payable in 1989 and net tax capacity for taxes payable in 1990 and subsequent years shall be each property's total tax for that local government unit before reduction by any credits.

Any amount certified to the county auditor under section 124A.03, subdivision 2a, or under section 275.60, after the dates given in those sections, shall be divided by the total estimated market value of all taxable properties within the taxing district. The resulting ratio, the taxing district's new referendum tax rate, multiplied by each property's estimated market value shall be each property's new referendum tax before reduction by any credits.

Sec. 22. [275.59] [LEVY OR BOND REFERENDUM; BALLOT NOTICE.]

Notwithstanding any general or special law or any charter provisions, any question submitted to the voters by any local governmental subdivision at a general or special election after the day of final enactment, authorizing a property tax levy or tax rate increase, including the issuance of debt obligations payable in whole or in part from property taxes, must include on the ballot the following notice in bold-face type.

"BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING FOR A PROPERTY TAX INCREASE."

For purposes of this section and section 275.60, "local governmental subdivision" includes counties, home rule and statutory cities, towns, school districts, and all special taxing districts. This statement is in addition to any general or special laws or any charter provisions that govern the contents of a ballot question.

This section does not apply to a school district bond election if the debt service payments are to be made entirely from transfers of revenue from the capital fund to the debt service fund.

Sec. 23. [275.60] [REFERENDUM LEVY; MARKET VALUE.]

For local governmental subdivisions other than school districts, any levy required to be approved and approved by the voters at a general or special election for taxes payable in 1992 and thereafter, shall be levied against the market value of all taxable property within the governmental subdivision. Any levy amount subject to the requirements of this section shall be certified separately to the county auditor under section 275.07.

The ballot shall state the maximum amount of the increased levy as a percentage of market value and the amount that will be raised by the new referendum tax rate in the first year it is to be levied.

Sec. 24. Minnesota Statutes 1990, section 276.04, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF TAX STATEMENTS.] (a) The treasurer shall provide for the printing of the tax statements. The commissioner of revenue shall prescribe the form of the property tax statement and its contents. The statement must contain a tabulated statement of the dollar amount due to each taxing authority from the parcel of real property for which a particular tax statement is prepared. The dollar amounts due the county, township or municipality and school district must be separately stated. The amounts due other taxing districts, if any, may be aggregated. The dollar amounts, including the dollar amount of any special assessments, may be rounded to the nearest even whole dollar. For purposes of this section whole odd-numbered dollars may be adjusted to the next higher even-numbered dollar. The statement shall include the following sentence, printed in upper case letters in boldface print: "THE STATE OF MINNESOTA DOES NOT RECEIVE ANY PROPERTY TAX REVENUES. THE STATE OF MINNESOTA REDUCES YOUR PROPERTY TAX BY PAYING CREDITS AND REIMBURSEMENTS TO LOCAL UNITS OF GOVERNMENT."

(b) The property tax statements for manufactured homes and sectional structures taxed as personal property shall contain the same information that is required on the tax statements for real property.

(c) Real and personal property tax statements must contain the following information in the order given in this paragraph. The information must contain the current year tax information in the right column with the corresponding information for the previous year in a column on the left:

(1) the property's estimated market value as defined in section 272.03, subdivision 8;

(2) the property's gross tax, calculated by multiplying the property's gross tax capacity times the total local tax rate and adding to the result the sum of the aids enumerated in clause (3);

(3) a total of the following aids:

(i) education aids payable under chapters 124 and 124A;

(ii) local government aids for cities, towns, and counties under chapter 477A; and

(iii) disparity reduction aid under section 273.1398;

(4) for homestead residential and agricultural properties, the homestead and agricultural credit aid apportioned to the property. This amount is obtained by multiplying the total local tax rate by the difference between the property's gross and net tax capacities under section 273.13. This amount must be separately stated and identified as "homestead and agricultural credit." For purposes of comparison with the previous year's amount for the statement for taxes payable in 1990, the statement must show the homestead credit for taxes payable in 1989 under section 273.13, and the agricultural credit under section 273.132 for taxes payable in 1989;

(5) any credits received under sections 273.119; 273.123; 273.135; 273.1391; 273.1398, subdivision 4; 469.171; and 473H.10, except that the amount of credit received under section 273.135 must be separately stated and identified as "taconite tax relief"; and

(6) the net tax payable in the manner required in paragraph (a); and

(7) any additional amount of tax authorized under sections 124A.03, subdivision 2a, and 275.60. These amounts shall be listed as "voter approved referenda levies."

The commissioner of revenue shall certify to the county auditor the actual or estimated aids enumerated in clauses (3) and (4) that local governments will receive in the following year. In the case of a county containing a city of the first class, for taxes levied in 1991, and for all counties for taxes levied in 1992 and thereafter, the commissioner must certify this amount by September 1.

Sec. 25. Minnesota Statutes 1990, section 279.03, subdivision 1a, is amended to read:

Subd. 1a. [RATE AFTER DECEMBER 31, 1990.] (a) Except as provided in paragraph (b), 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.

(b) If a person is the owner of one or more parcels of property on which taxes are delinquent, and the delinquent taxes are more than 25 percent of the prior year's school district levy, interest on the delinquent property taxes, penalties, and costs unpaid after January 1, 1992, shall be payable at twice the rate determined under paragraph (a) for the year.

Sec. 26. Minnesota Statutes 1990, section 281.17, is amended to read:

281.17 [PERIOD FOR REDEMPTION.]

The period of redemption for all lands sold to the state at a tax judgment sale shall be three years from the date of sale to the state of Minnesota if the land is within an incorporated area unless it is: (a) nonagricultural homesteaded land as defined in section 273.13, subdivision 22; (b) homesteaded agricultural land as defined in section 273.13, subdivision 23, paragraph (a); or (c) seasonal recreational land as defined in section 273.13, subdivision 25, paragraph ~~(d)(1) or (c)(4)~~ clause (5), in for which event the period of redemption is five years from the date of sale to the state of Minnesota.

The period of redemption for homesteaded lands as defined in section 273.13, subdivision 22, located in a targeted neighborhood as defined in Laws 1987, chapter 386, article 6, section 4, and sold to the state at a tax judgment sale is three years from the date of sale. The period of redemption for all lands located in a targeted neighborhood as defined in Laws 1987, chapter 386, article 6, section 4, except homesteaded lands as defined in section 273.13, subdivision 22, and sold to the state at a tax judgment sale is one year from the date of sale.

The period of redemption for all other lands sold to the state at a tax judgment sale shall be five years from the date of sale, except that the period of redemption for nonhomesteaded agricultural land as defined in section 273.13, subdivision 23, paragraph (b), shall be two years from the date of sale if at that time, that property is owned by a person who owns one or more parcels of property on which taxes are delinquent, and the delinquent taxes are more than 25 percent of the prior year's school district levy.

Sec. 27. Minnesota Statutes 1990, 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 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 for taxes payable in 1991, 1993, or 1994 exceed the following amounts for the taxes payable year designated, the commissioner shall increase the dollar amount of tax increase which must occur before a taxpayer qualifies for a refund so that the estimated total refund claims do not exceed the appropriation limit.

Taxes payable in:	Appropriation limit
1991	\$13,000,000
1992	\$6,500,000
1993	\$6,000,000
1994	\$5,500,000

The determinations of the revised thresholds by the commissioner are not rules subject to chapter 14.

Sec. 28. Minnesota Statutes 1990, section 430.102, subdivision 3, is amended to read:

Subd. 3. [ANNUAL IMPROVEMENT ASSESSMENT PROCEDURE; APPEALS.] When the council has acted on the estimate of costs, the city engineer, with the assistance of the city assessor, shall prepare an assessment roll. The roll must list separately the amounts to be specially assessed against benefited and assessable property in the district in proportion to the benefits, descriptions of the property, and the names of the owners of the property to the extent they are available to the engineer. The assessment roll must be filed in the office of the city clerk and be available there for inspection.

The city council shall meet to consider objections to the amounts of special assessments at least ten days after a notice of hearing has been mailed to the named owners of the tracts, parcels, and lots of property proposed to be assessed. The notice must give the time, place, and purpose of the meeting, but may refer to the assessment roll for further particulars. When the city council has approved the amounts of the special assessments in the assessment roll or has changed them, the city clerk shall certify a copy of the assessment roll, with any changes, to the county auditor to be extended on the tax lists of the county. The special assessments must be collected with and in the same manner as other taxes on property for the current year.

Within 20 days after the adoption of the assessment, an aggrieved person may appeal to the district court as provided in section 430.03 except that no commissioners will be appointed to consider the amount of benefits. If the court finds that the assessment is not arbitrary, unreasonable, or made under a demonstrable mistake of fact or erroneous theory of law, it shall confirm the proceedings; if the court finds that the assessment is valid but for the inclusion of one or more items of cost, it shall reduce the assessment by the

amount erroneously included and confirm the assessment as reduced. Otherwise the court shall remand the matter to the city council for reconsideration and reassessment of the benefits after notice and hearing like those for the original assessments under this subdivision. Objections to the assessment are waived unless appealed under this paragraph.

Sec. 29. Minnesota Statutes 1990, section 430.102, subdivision 4, is amended to read:

Subd. 4. [COSTS AND ANNUAL IMPROVEMENTS DEFINED.] For the purposes of this chapter, with respect to pedestrian malls, "annual improvements" means any reconstruction, replacement, or repair of trees and plantings, furniture, roadway fixtures, sidewalks, shelters, and other facilities of a pedestrian mall, snow removal, sweeping, furnishing overhead or underground heating for snow removal ~~or~~ for enjoyment of pedestrians, and any other local improvement benefiting properties within the district. For the purposes of this chapter, with respect to annual improvements to and operation and maintenance of pedestrian malls, "costs" means costs of annual improvements; fees of consultants employed by the city council to assist in the planning of annual improvements, premiums on public liability insurance insuring the city and users of the pedestrian mall and on property damage insurance for pedestrian mall facilities, reasonable and necessary costs to the city for the time of city officials, the advisory board, and employees spent in connection with annual improvements to and operating and maintaining a pedestrian mall and levying and collecting special assessments and special taxes for the mall, publication costs, and other costs incurred or to be incurred in connection with annual improvements to and operation and maintenance of pedestrian malls.

Sec. 30. Minnesota Statutes 1990, section 473F.01, is amended to read:

473F.01 [PURPOSE; USE OF PROCEEDS.]

Subdivision 1. [PURPOSE.] The legislature finds it desirable to improve the revenue raising and distribution system in the seven county Twin Cities area to accomplish the following objectives:

(1) To provide a way for local governments to share in the resources generated by the growth of the area, without removing any resources which local governments already have;

(2) To increase the likelihood of orderly urban development by reducing the impact of fiscal considerations on the location of business and residential growth and of highways, transit facilities and airports;

(3) To establish incentives for all parts of the area to work for the growth of the area as a whole;

(4) To provide a way whereby the area's resources can be made available within and through the existing system of local governments and local decision making;

(5) To help communities in different stages of development by making resources increasingly available to communities at those early stages of development and redevelopment when financial pressures on them are the greatest; and

(6) To encourage protection of the environment by reducing the impact of fiscal considerations so that flood plains can be protected and land for parks and open space can be preserved; and

(7) ~~To provide for the distribution to municipalities of additional revenues generated within the area or from outside sources pursuant to other legislation.~~

Subd. 2. [USE OF PROCEEDS.] Except as provided in section 473F.08, subdivision 3a, the proceeds from the areawide tax imposed under this chapter must be used by a local governmental unit in the same manner and for the same purposes as the proceeds from other ad valorem taxes levied by the local governmental unit.

Sec. 31. Minnesota Statutes 1990, section 473F.02, subdivision 3, is amended to read:

Subd. 3. "Commercial-industrial property" means the following categories of property, as defined in section 273.13, excluding that portion of such property (1) which may, by law, constitute the tax base for a tax increment pledged pursuant to under section 469.042 or 469.162, certification of which was requested prior to August 1, 1979, to the extent and while such tax increment is so pledged; or (2) ~~which may, by law, constitute the tax base for tax revenues set aside and paid over for credit to a sinking fund pursuant to direction of the city council in accordance with Laws 1963, chapter 881, as amended, to the extent that such revenues are so treated in any year; or~~ (3) which is exempt from taxation pursuant to under section 272.02:

(a) That portion of class 3 property defined in Minnesota Statutes 1971, section 273.13, consisting of stocks of merchandise and furniture and fixtures used therewith; manufacturers' materials and manufactured articles; and tools, implements and machinery, whether fixtures or otherwise.

(b) That portion of class 4 property defined in Minnesota Statutes 1971, section 273.13, which is ~~either used or zoned for use~~ for any commercial or industrial purpose, except for such property which is,

or, in the case of property under construction, will when completed be used exclusively for residential occupancy and the provision of services to residential occupants thereof. Property shall be considered as used exclusively for residential occupancy only if each of not less than 80 percent of its occupied residential units is, or, in the case of property under construction, will when completed be occupied under an oral or written agreement for occupancy over a continuous period of not less than 30 days.

If the classification of property prescribed by section 273.13 is modified by legislative amendment, the references in this subdivision shall be to such successor class or classes of property, or portions thereof, as embrace the kinds of property designated in this subdivision.

Sec. 32. Minnesota Statutes 1990, section 473F.02, subdivision 8, is amended to read:

Subd. 8. "Municipality" means a city, town, or township located in whole or part within the area, but not the cities of New Prague or Northfield. If a municipality is located partly within and partly without the area, the references in sections 473F.01 to 473F.13 to property or any portion thereof subject to taxation or taxing jurisdiction within the municipality are to such property or portion thereof as is located in that portion of the municipality within the area, except that the fiscal capacity of such a municipality shall be computed upon the basis of the valuation and population of the entire municipality.

A municipality shall be excluded from the area if its municipal comprehensive zoning and planning policies conscientiously exclude most commercial-industrial development, for reasons other than preserving an agricultural use. The metropolitan council and the commissioner of revenue shall jointly make this determination annually and shall notify those municipalities that are ineligible to participate in the tax base sharing program provided in this chapter for the following year.

Sec. 33. Minnesota Statutes 1990, section 473F.02, subdivision 12, is amended to read:

Subd. 12. "Market value" of real and personal property within a municipality means the "~~actual market value~~" assessor's estimated market value of all real and personal property, including the value of manufactured housing, within the municipality, determined in the manner and with respect to the property described for school districts in section 475.53, subdivision 4, except that no adjustment shall be made for property on which taxes are paid into the state treasury under gross earnings tax laws applicable to common carrier railroads. For purposes of sections 473F.01 to 473F.13, the commissioner of revenue shall annually make determinations and

reports with respect to each municipality which are comparable to those it makes for school districts under section 124.2131, subdivision 1, in the same manner and at the same times as are prescribed by the subdivision. The commissioner of revenue shall annually determine, for each municipality, information comparable to that required by section 475.53, subdivision 4, for school districts, as soon as practicable after it becomes available. The commissioner of revenue shall then compute the equalized market value of property within each municipality using the aggregate sales ratios from the department of revenue's sales ratio study.

Sec. 34. Minnesota Statutes 1990, section 473F.02, subdivision 13, is amended to read:

Subd. 13. "Valuation" means the market value of real and personal property within a municipality as defined in subdivision 12.

Sec. 35. Minnesota Statutes 1990, section 473F.05, is amended to read:

473F.05 [GROSS NET TAX CAPACITY YEARS.]

On or before August 5 of each year, the assessors within each county in the area shall determine and certify to the county auditor the gross net tax capacity in that year of commercial-industrial property subject to taxation within each municipality in the county, determined without regard to section 469.177, subdivision 3.

Sec. 36. Minnesota Statutes 1990, section 473F.06, is amended to read:

473F.06 [INCREASE IN GROSS NET TAX CAPACITY.]

On or before July 15 of each year, the auditor of each county in the area shall determine the amount, if any, by which the gross net tax capacity determined in the preceding year pursuant to under section 473F.05, of commercial-industrial property subject to taxation within each municipality in the auditor's county exceeds the gross net tax capacity in 1971 of commercial-industrial property subject to taxation within that municipality. If a municipality is located in two or more counties within the area, the auditors of those counties shall certify the data required by section 473F.05 to the county auditor who is responsible under other provisions of law for allocating the levies of that municipality between or among the affected counties. That county auditor shall determine the amount of the net excess, if any, for the municipality under this section, and certify that amount under section 473F.07. Notwithstanding any other provision of sections 473F.01 to 473F.13 to the contrary, in the case of a municipality which is designated on July 24, 1971, as a redevelopment area pursuant to under section 401(a)(4) of the Public Works

and Economic Development Act of 1965, Public Law Number 89-136, the increase in its gross net tax capacity of commercial-industrial property for purposes of this section shall be determined in each year subsequent to the termination of such designation by using as a base the gross net tax capacity of commercial-industrial property in that municipality in the 1989 assessment year following that in which such designation is terminated, rather than the gross net tax capacity of such property in 1971. The increase in gross total net tax capacity determined by this section shall be reduced by the amount of any decreases in the gross net tax capacity of commercial-industrial property resulting from any court decisions, court related stipulation agreements, or abatements for a prior year, and only in the amount of such decreases made during the 12-month period ending on May 1 of the current assessment year, where such decreases, if originally reflected in the determination of a prior year's gross net tax capacity under section 473F.05, would have resulted in a smaller contribution from the municipality in that year. An adjustment for such decreases shall be made only if the municipality made a contribution in a prior year based on the higher gross net tax capacity of the commercial-industrial property.

Sec. 37. Minnesota Statutes 1990, section 473F.07, is amended to read:

473F.07 [COMPUTATION OF AREAWIDE TAX BASE.]

Subdivision 1. Each county auditor shall certify the determinations ~~pursuant to~~ under sections 473F.05 and 473F.06 to the administrative auditor on or before August 1 of each year.

The administrative auditor shall determine an amount equal to 40 percent of the sum of the amounts certified ~~pursuant to~~ under section 473F.06, and ~~divide that sum by 2-1/2~~. The resulting amount shall be known as the "areawide gross net tax capacity for(year)."

Subd. 2. The commissioner of revenue shall certify to the administrative auditor, on or before August 10 of each year, the population of each municipality for the ~~second~~ preceding year, the proportion of that population which resides within the area, the average fiscal capacity of all municipalities in the area for the preceding year, and the fiscal capacity of each municipality in the area for the preceding year.

Subd. 3. The administrative auditor shall determine, for each municipality, the product of (a) its population, and (b) the proportion which the average fiscal capacity of municipalities for the preceding year bears to the fiscal capacity of that municipality for the preceding year, ~~and (c) two~~. The product shall be the areawide tax base distribution index for that municipality, ~~provided that (a) if the product in the case of any municipality is less than its population,~~

its index shall be increased to its population, and (b). If a municipality is located partly within and partly without the area its index shall be that which is otherwise determined hereunder, multiplied by the proportion which its population residing within the area bears to its total population as of the preceding year.

Subd. 4. The administrative auditor shall determine the proportion which the index of each municipality bears to the sum of the indices of all municipalities and shall then multiply this proportion in the case of each municipality, by the areawide net tax capacity, provided that if the distribution net tax capacity for a municipality is less than 95 percent of the municipality's previous year distribution net tax capacity, and more than ten percent of the municipality's fiscal capacity consists of manufactured home property, the municipality's distribution net tax capacity will be increased to 95 percent of the previous year net tax capacity and the distribution net tax capacity of other municipalities in the area will be proportionately reduced.

Subd. 5. The ~~product~~ result of the ~~multiplication~~ procedure prescribed by subdivision 4 shall be known as the "areawide ~~gross~~ net tax capacity for (year) attributable to (municipality)." The administrative auditor shall certify such product to the auditor of the county in which the municipality is located on or before August 15.

Sec. 38. Minnesota Statutes 1990, section 473F.08, subdivision 2, is amended to read:

Subd. 2. The net tax capacity of a governmental unit is its net tax capacity, as determined in accordance with other provisions of law including section 469.177, subdivision 3, subject to the following adjustments:

(a) There shall be subtracted from its net tax capacity, in each municipality in which the governmental unit exercises ad valorem taxing jurisdiction, an amount which bears the same proportion to 40 percent of the amount certified in that year pursuant to section under sections 473F.06 in respect to that and 473F.07 for the municipality as the total preceding year's net tax capacity of commercial-industrial property which is subject to the taxing jurisdiction of the governmental unit within the municipality, determined without regard to section 469.177, subdivision 3, bears to the total preceding year's net tax capacity of commercial-industrial property within the municipality, determined without regard to section 469.177, subdivision 3;

(b) There shall be added to its net tax capacity, in each municipality in which the governmental unit exercises ad valorem taxing jurisdiction, an amount which bears the same proportion to the areawide net tax capacity for the year attributable to that municipi-

pality as the total preceding year's net tax capacity of residential property which is subject to the taxing jurisdiction of the governmental unit within the municipality bears to the total preceding year's net tax capacity of residential property of the municipality.

Sec. 39. Minnesota Statutes 1990, section 473F.08, subdivision 5, is amended to read:

Subd. 5. On or before August 25 of each year, the county auditor shall certify to the administrative auditor that portion of the levy of each governmental unit determined ~~pursuant to~~ under subdivision 3, clause (a). The administrative auditor shall then determine the areawide tax rate sufficient to yield an amount equal to the sum of such levies from the areawide ~~gross net~~ tax capacity. On or before September 1 of each year, the administrative auditor shall certify the areawide tax rate to each of the county auditors.

Sec. 40. Minnesota Statutes 1990, section 473F.08, subdivision 6, is amended to read:

Subd. 6. The areawide tax rate determined in accordance with subdivision 5 shall apply ~~in the taxation of to each item of~~ commercial-industrial property subject to taxation within a municipality, including property located within any tax increment financing district, as defined in section 469.174, subdivision 9, to that portion of the net tax capacity of the item which bears the same proportion to its total net tax capacity as 40 percent of the amount determined ~~pursuant to section under sections 473F.06 in respect to the municipality in which the property and 473F.07 is taxable bears to the amount determined pursuant to~~ under section 473F.05. The tax rate determined in accordance with subdivision 4 shall apply in the taxation of the remainder of the net tax capacity of the item.

Sec. 41. Minnesota Statutes 1990, section 473F.09, is amended to read:

473F.09 [ADJUSTMENTS IN DATES.]

If, by reason of the enactment of any other law, the date by which the commissioner of revenue is required to certify to the county auditors the records of proceedings affecting the ~~gross net~~ tax capacity of property is advanced to a date earlier than June 30, the dates specified in sections 473F.07 and 473F.10 may be modified in the years to which such other law applies in the manner and to the extent prescribed by the administrative auditor.

Sec. 42. Minnesota Statutes 1990, section 473F.13, subdivision 1, is amended to read:

Subdivision 1. If a ~~qualifying~~ municipality is dissolved, is consol-

idated with all or part of another municipality, annexes territory, has a portion of its territory detached from it, or is newly incorporated, the secretary of state shall immediately certify that fact to the commissioner of revenue. The secretary of state shall also certify to the commissioner of revenue the current population of the new, enlarged, or successor municipality, if determined by the Minnesota municipal board incident to consolidation, annexation, or incorporation proceedings. The population so certified shall govern for purposes of sections 473F.01 to 473F.13 until the metropolitan council files its first population estimate as of a later date with the commissioner of revenue. If an annexation of unincorporated land occurs without proceedings before the Minnesota municipal board, the population of the annexing municipality as previously determined shall continue to govern for purposes of sections 473F.01 to 473F.13 until the metropolitan council files its first population estimate as of a later date with the commissioner of revenue.

Sec. 43. Minnesota Statutes 1990, section 477A.014, subdivision 4, is amended to read:

Subd. 4. [COSTS BILLED TO COMMISSIONER OF REVENUE.] The commissioner of state planning shall annually bill the commissioner of revenue for one-half of the costs incurred by the state planning agency in the preparation of materials required by section 116K.04, subdivision 4, clause (10). ~~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. The state auditor shall annually bill the commissioner of revenue for the costs of the services provided by the government information division and the parts of the constitutional office that are related to the government information function, not to exceed \$218,000. The commissioner of administration shall annually bill the commissioner of revenue for the costs of the local government records program and the intergovernmental information systems activity, not to exceed \$205,800. The commissioner of employee relations shall annually bill the commissioner of revenue for the costs of administering the local government pay equity function, not to exceed \$55,000.~~

Sec. 44. Minnesota Statutes 1990, section 477A.014, is amended by adding a subdivision to read:

Subd. 5. [DEDUCTION FROM AID PAYMENTS.] The commissioner of revenue shall deduct the amounts certified under subdivision 4 from the aid payments to be made to appropriate local units of government in the next aid payment year. Amounts deducted must be credited to the general fund.

Sec. 45. Minnesota Statutes 1990, section 515A.4-102, is amended to read:

515A.4-102 [DISCLOSURE STATEMENT; GENERAL PROVISIONS.]

A disclosure statement shall fully disclose:

(a) the name and principal address of the declarant and the address and the name, if any, and number, if available, of the condominium;

(b) a general description of the condominium; including without limitation the types and number of all buildings, units and amenities, and declarant's schedule of commencement and completion of construction thereof;

(c) the total number of additional units that may be included in the condominium and whether the declarant intends to rent or market blocks of units to investors;

(d) a copy of the declaration other than the condominium plat, condominium plat for the particular unit, bylaws, articles of incorporation, rules and regulations, and any contracts and leases to which the unit owners or association will be subject and which may not be canceled upon 30 days notice by the association;

(e) any current balance sheet and a projected budget for the association for the first full or partial year during which a unit is conveyed to a unit owner other than a declarant and any projected budget for future years which the association has adopted, and a statement of who prepared the balance sheet, projected budget or budget. The budget or projected budget shall include, without limitation:

(1) a statement of the amount, or a statement that there is no amount, included in the budget as a reserve for repairs and replacement;

(2) a statement of any other reserves;

(3) the projected common expense assessment by category of expenditures for the association;

(4) the projected monthly common expense assessment for each type of unit;

(f) any supplies and services not reflected in the budget or projected budget which the declarant provides, or expenses which the declarant pays, and which the declarant expects may become at any subsequent time a common expense of the association and the projected common expense assessment attributable to each of those services or expenses for the association and for each type of unit;

(g) any initial or special fee due from the purchaser to the declarant or the association at closing, together with a description of the purpose and method of calculating the fee;

(h) a description of any liens, defects, or encumbrances on or affecting the title to the condominium after the contemplated conveyance;

(i) a description of any financing offered by the declarant;

(j) the terms of any warranties provided by the declarant, including the warranties set forth in sections 515A.4-111 and 515A.4-112, and limitations imposed by the declarant on the enforcement thereof;

(k) a statement that:

(1) within 15 days after receipt of a disclosure statement, a purchaser may, prior to conveyance, cancel any purchase agreement of a unit from a declarant;

(2) if a declarant fails to provide a disclosure statement to a purchaser before conveying a unit, that purchaser may recover from the declarant an amount not to exceed five percent of the sales price of the unit; and

(3) if a purchaser received the disclosure statement more than 15 days before signing a purchase agreement, the purchaser cannot cancel the agreement;

(l) a statement disclosing, to the extent of the actual knowledge of the declarant or an affiliate of the declarant after reasonable inquiry, any judgments against the association, the status of any pending suits to which the association is a party, and the status of any pending suits material to the condominium;

(m) a statement that any earnest money paid in connection with the purchase of a unit will be held in an escrow account until closing and will be returned to the purchaser if the purchaser cancels the purchase agreement pursuant to section 515A.4-106;

(n) a description of the insurance coverage to be provided for the benefit of unit owners;

(o) any current or expected fees or charges to be paid by unit owners for the use of the common elements and other facilities related to the condominium; and

(p) whether financial arrangements have been provided for completion of all improvements labeled "MUST BE BUILT" pursuant to

section 515A.4-117 (Declarant's Obligation to Complete and Restore); and

(g) a statement (1) that there are no delinquent taxes on the property or, if there are delinquent taxes on the property, the amount of the delinquent taxes and the length of the delinquency, and (2) that discloses the amount, if known, of taxes due in the current year.

Sec. 46. Laws 1988, chapter 719, article 16, section 1, subdivision 3, is amended to read:

Subd. 3. [SPECIAL SERVICES.] "Special services" means the following services rendered or contracted for by the city:

- (1) snow and ice removal;
- (2) sweeping and cleaning sidewalks, curbs, gutters, streets, and alleys;
- (3) litter, poster, and handbill removal;
- (4) construction, repair, operation, and maintenance of sidewalks, curbs, gutters, bus shelters, parking facilities, lighting, benches, chairs, tables, telephone booths, traffic signs, fire hydrants, newsstands, kiosks, trash receptacles, utility connections, marquees, awnings, canopies, display cases, information booths, and banners;
- (5) landscaping, planting, repair, maintenance, and care of trees, shrubs, bushes, flowers, grass, and other decorative materials;
- (6) security personnel, equipment, and systems;
- (7) approval and supervision of special activities;
- (8) insurance; and
- (9) administration, coordination, studies, and preparation of designs.

Special service district funds may be used to pay operating costs of a neighborhood business association composed of a majority of owners or operators of businesses located within the district.

Sec. 47. Laws 1990, chapter 604, article 3, section 46, subdivision 1, is amended to read:

Subdivision 1. [LIMITED VALUATION INCREASE.] (a) Notwithstanding Minnesota Statutes, section 273.11, or any other law to the

contrary, the estimated market value of a manufactured home park, as defined in section 327.14, subdivision 3, and assessed under section 273.13, subdivision 25, for taxes levied in 1990, may not exceed 133-1/3 percent of its estimated market value for taxes levied in 1989 as limited by Laws 1989, First Special Session chapter 1, article 3, section 32, subdivision 1. The excess market value, including value added by the January 2, 1991, assessment, must be entered equally in the next two succeeding 1991 and 1992 assessment years.

(b) This subdivision does not apply to increases in value attributable to improvements made to the real estate since the January 2, 1989, assessment. It does not apply to property becoming subject to taxation since the January 2, 1989, assessment. The limitation in this subdivision applies to any increase in valuation imposed by the local boards of review under section 274.01, the county boards of equalization under section 274.13, and the state board of equalization and the commissioner of revenue under sections 270.11, 270.12, and 270.16.

Sec. 48. [CERTAIN COUNTIES; LOW-INCOME HOUSING.]

Subdivision 1. [LOW-INCOME HOUSING.] In addition to the normal market value determination under Minnesota Statutes, section 273.11, in the case of Hennepin, Dakota, Ramsey, St. Louis, and Beltrami counties, a special market value for properties classified under section 273.13, subdivision 25, paragraph (c), clauses (1), item (ii), (3) and (4), the owners of which have applied to the assessor for treatment in the initial year under this subdivision, shall be determined as provided in this subdivision. If a limited dividend entity owns the property, it must include as the managing general partner a nonprofit organization operating under the provisions of chapter 317A and qualifying under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1990, and the limited partnership agreement must provide that the managing general partner has sufficient powers so that it materially participates in the management and control of the limited dividend entity. The value shall be determined by capitalizing the net operating income derived from actual restricted rents and standardized expenses which are from time to time determined by the housing finance agency for similar projects. Net operating incomes must be greater than zero. The special market value shall be used to compute the taxes owing only if the entire structure is occupied by low-income, elderly, or handicapped persons or low- and moderate-income families as defined in the applicable laws. The manager of properties valued under this subdivision must demonstrate annually to the assessor that tax savings realized by use of this method of valuation have inured to the tenants. The tax savings must be used for reduced rents, improved maintenance, capital improvements, or capital reserves. Capital reserves must be in accordance with agreements approved by the governmental regulatory author-

ity. After the first year, certification that the funds have been spent as required shall be made by the housing and redevelopment authority performing the financial audit or review on the property as required by the regulatory authority. A copy of the certification must be submitted to the assessor by May 30 of each year. If the assessor determines upon review of the certification that the benefit has not inured to the tenants, the property shall be subject to additional property taxes in the amount of triple the difference between the taxes determined in accordance with this subdivision and the amount of tax payable on the property if it were valued according to subdivision 1 and classified according to section 273.13, subdivision 25, paragraph (a) or (b), as appropriate for those years in which the benefit of the tax savings did not inure to the tenants.

Subd. 2. [EFFECTIVE DATE.] This section is effective only for taxes payable in 1992, 1993, and 1994 in any of the counties of Hennepin, Ramsey, Dakota, St. Louis, and Beltrami that approves it and complies with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 49. [SCHOOL DISTRICT NO. 625, REFERENDUM LEVIES.]

Subdivision 1. [LEVIED AGAINST MARKET VALUE; ONE YEAR DELAY.] Notwithstanding Minnesota Statutes, section 124A.03, subdivision 2a, if independent school district No. 625, St. Paul, approves a referendum levy, beginning with taxes payable in 1993, it shall be levied against the net tax capacity of all taxable property in the district.

Subd. 2. [APPROVAL.] Subdivision 1 is effective the day following approval by the governing body of independent school district No. 625, St. Paul, and compliance with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 50. [BUFFALO-RED RIVER WATERSHED DISTRICT; PAYMENT OF HOMESTEAD AND AGRICULTURAL CREDIT AID; APPROPRIATING MONEY.]

\$153,787 is appropriated from the general fund to the commissioner of revenue for distribution to the Buffalo-Red River watershed district as restoration of reduced homestead and agricultural credit aid for 1990.

Sec. 51. [RED LAKE WATERSHED DISTRICT; PAYMENT OF HOMESTEAD AND AGRICULTURAL CREDIT AID; APPROPRIATING MONEY.]

\$185,777 is appropriated from the general fund to the commissioner of revenue for distribution to the Red Lake watershed district

as restoration of reduced homestead and agricultural credit aid for 1990.

Sec. 52. [LAKEFIELD; SCHOOL DISTRICT LEVY REFERENDUM.]

Independent school district No. 325, Lakefield, may conduct one levy referendum authorized by section 124A.03, subdivision 2, before November 1991. The referendum must be conducted by mail as provided in that section. Only one levy referendum may be conducted in 1991 by the district.

Sec. 53. [MANKATO; SCHOOL DISTRICT LEVY REFERENDUM.]

Independent school district No. 77, Mankato, may conduct one levy referendum authorized by section 124A.03, subdivision 2, before November 1991. The referendum must be conducted by mail as provided in that section. Only one such levy referendum may be conducted in 1991 by the district.

Sec. 54. [WAYZATA; SCHOOL DISTRICT LEVY REFERENDUM.]

Independent school district No. 284, Wayzata, may conduct one levy referendum authorized by section 124A.03, subdivision 2, before November 1991. The referendum must be conducted by mail as provided in that section. Only one levy referendum may be conducted in 1991 by the district.

Sec. 55. [REPEALER.]

Minnesota Statutes 1990, sections 473F.02, subdivisions 9, 11, 16, 17, 18, 19, and 20; 473F.12; and 473F.13, subdivisions 2 and 3, are repealed.

Sec. 56. [APPLICABILITY.]

Sections 30 to 42 and 55 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 57. [EFFECTIVE DATE.]

Sections 5 and 6 are effective for referenda held after November 1, 1992 for taxes payable in 1993 and thereafter.

Sections 2, 3, 10 to 24, 30 to 42, and 55 are effective for taxes levied in 1991, payable in 1992, and thereafter.

Sections 7 and 45 are effective July 1, 1991.

Sections 8 and 9 are effective for appeals filed after July 31, 1991.

Sections 25 and 26 are effective for taxes deemed delinquent after December 31, 1991.

Sections 1, 28, 29, 50, and 51 are effective the day following final enactment.

Sections 43 and 44 are effective for aids payable in 1991 and thereafter.

Section 46 is effective the day after the governing body of the city of Minneapolis complies with Minnesota Statutes, section 645.021, subdivision 3.

Section 47 is effective for the 1991 and 1992 assessment year.

Section 52 is effective the day after the governing body of independent school district No. 325, Lakefield, complies with Minnesota Statutes, section 645.021, subdivision 3.

Section 53 is effective the day after the governing body of independent school district No. 77, Mankato, complies with Minnesota Statutes, section 645.021, subdivision 3.

Section 54 is effective the day after the governing body of independent school district No. 284, Wayzata, complies with Minnesota Statutes, section 645.021, subdivision 3.

ARTICLE 2

PROPERTY TAX AIDS AND CREDITS

Section 1. Minnesota Statutes 1990, section 273.1398, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) In this section, the terms defined in this subdivision have the meanings given them.

(b) "Unique taxing jurisdiction" means the geographic area subject to the same set of local tax rates.

(c) "Gross tax capacity" means the product of the gross class rates and estimated market values. "Total gross tax capacity" means the gross tax capacities for all property within the unique taxing jurisdiction. The total gross tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's gross tax capacity of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section

473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the gross tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the gross tax capacity of transmission lines deducted from a local government's total gross tax capacity under section 273.425. Gross tax capacity cannot be less than zero.

(d) "Net tax capacity" means the product of (i) the appropriate net class rates for the year in which the aid is payable, except that for aids payable in 1991 the class rate applied to class 3 utility real and personal property shall be 5.38 percent; the class rate applied to class 4c property and that portion of class 3 property with an actual net class rate of 2.3 percent shall be 2.4 percent; the class rates applied to class 2a agricultural homestead property excluding the house, garage, and one acre shall be .4 percent for the first \$100,000 of value reduced by the value of the house, garage, and one acre, 1.3 percent for the remaining value of the first 320 acres, and 1.7 percent for the remaining value of any acreage in excess of 320 acres; the class rate applied to class 2b property shall be 1.7 percent; the class rate applied to class 1b property shall be .4 percent; and the class rate for the portion of class 1 property and the house, garage, and one acre portion of class 2a property with a market value in excess of \$100,000 shall be 3.0 percent 1992 the class rate applied to class 4b property shall be 2.9 percent; the class rate applied to class 4a property shall be 3.55 percent; the class rate applied to noncommercial seasonal recreational residential property shall be 2.25 percent; and the class rates for the portion of class 1a and 1b property and class 2a property shall be 2 percent for the market value between \$68,000 and \$110,000 and 2.5 percent for the market value over \$110,000; and for aid payable in 1993 the class rate applicable to class 4a shall be 3.5 percent, and (ii) estimated market values for the assessment two years prior to that in which aid is payable. The reclassification of mobile home parks as class 4c shall not be considered in determining net tax capacity for purposes of this paragraph for aids payable in 1991 or 1992. The reclassification of fraternity and sorority houses as class 4c shall not be considered in determining net tax capacity for purposes of this paragraph for aids payable in 1991. The addition of class 4e property shall not be considered in determining net tax capacity for aids payable in 1992. "Total net tax capacity" means the net tax capacities for all property within the unique taxing jurisdiction. The total net tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's net tax capacity of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the net tax capacity of transmission lines deducted from a local government's total net tax capacity under

section 273.425. For purposes of determining the net tax capacity of property referred to in clauses (1) and (2), the net tax capacity shall be multiplied by the ratio of the highest class rate for class 3a property for taxes payable in the year in which the aid is payable to the highest class rate for class 3a property in the prior year. Net tax capacity cannot be less than zero.

(e) "Previous net tax capacity" means the product of the appropriate net class rates for the year previous to the year in which the aid is payable, and estimated market values for the assessment two years prior to that in which aid is payable. "Total previous net tax capacity" means the previous net tax capacities for all property within the unique taxing jurisdiction. The total previous net tax capacity shall be reduced by the sum of (1) the unique taxing jurisdiction's previous net tax capacity of commercial-industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the previous net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the previous net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425. Previous net tax capacity cannot be less than zero.

(f) "Equalized market values" are market values that have been equalized by dividing the assessor's estimated market value for the second year prior to that in which the aid is payable by the assessment sales ratios determined by class in the assessment sales ratio study conducted by the department of revenue pursuant to section 124.2131 in the second year prior to that in which the aid is payable. The equalized market values shall equal the unequalized market values divided by the assessment sales ratio.

(g) "1989 local tax rate" means the quotient derived by dividing the gross taxes levied within a unique taxing jurisdiction for taxes payable in 1989 by the gross tax capacity of the unique taxing jurisdiction for taxes payable in 1989. For computation of the local tax rate for aid payable in 1991 and subsequent years, gross taxes for taxes payable in 1989 exclude equalized levies as defined in subdivision 2a. For purposes of computation of the local tax rate only, gross taxes shall not be adjusted by inflation or household growth.

(h) "Current local tax rate" means the quotient derived by dividing the taxes levied within a unique taxing jurisdiction for taxes payable in the year prior to that for which aids are being calculated by the net tax capacity of the unique taxing jurisdiction.

(i) For purposes of calculating the homestead and agricultural credit aid authorized pursuant to subdivision 2, the "subtraction

factor” is the product of (i) a unique taxing jurisdiction’s 1989 local tax rate; (ii) its total net tax capacity; and (iii) 0.9767.

(j) For purposes of calculating and allocating homestead and agricultural credit aid authorized pursuant to subdivision 2 and the disparity reduction aid authorized in subdivision 3, “gross taxes levied on all properties,” “gross taxes,” or “taxes levied” means the total taxes levied on all properties except that levied on the captured value of tax increment districts as defined in section 469.177, subdivision 2, and that levied on the portion of commercial industrial properties’ assessed value or gross tax capacity, as defined in section 473F.02, subdivision 3, subject to the areawide tax as provided in section 473F.08, subdivision 6, in a unique taxing jurisdiction. Gross taxes levied on all properties or gross taxes are before reduction by any credits for taxes payable in 1989. “Gross taxes” are before any reduction for disparity reduction aid but “taxes levied” are after any reduction for disparity reduction aid. Gross taxes levied or taxes levied cannot be less than zero.

For homestead and agricultural credit aid payable in 1991, “gross taxes” or “gross taxes levied on all properties” shall mean gross taxes payable in 1989, excluding actual amounts levied for the purposes listed in subdivision 2a, multiplied by the cost-of-living adjustment factor and the household adjustment factor.

“Taxes levied” excludes actual amounts levied for purposes listed in subdivision 2a.

(k) “Human services aids” means:

(1) aid to families with dependent children under sections 256.82, subdivision 1, and 256.935, subdivision 1;

(2) medical assistance under sections 256B.041, subdivision 5, and 256B.19, subdivision 1;

(3) general assistance medical care under section 256D.03, subdivision 6;

(4) general assistance under section 256D.03, subdivision 2;

(5) work readiness under section 256D.03, subdivision 2;

(6) emergency assistance under section 256.871, subdivision 6;

(7) Minnesota supplemental aid under section 256D.36, subdivision 1;

(8) preadmission screening and alternative care grants 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.

(l) "Cost-of-living adjustment factor" means the greater of one or one plus the percentage increase in the consumer price index minus .36 percent. In no case may the cost of living adjustment factor exceed 1.0394.

(m) The percentage increase in the consumer price index means the percentage, if any, by which:

(1) the consumer price index for the calendar year preceding that in which aid is payable, exceeds

(2) the consumer price index for calendar year 1989.

(n) "Consumer price index for any calendar year" means the average of the consumer price index as of the close of the 12-month period ending on May 31 of such calendar year.

(o) "Consumer price index" means the last consumer price index for all-urban consumers published by the department of labor. For purposes of the preceding sentence, the revision of the consumer price index which is most consistent with the consumer price index for calendar year 1989 shall be used.

(p) "Household adjustment factor" means the number of households for the second most recent year preceding that in which the aids are payable divided by the number of households for the third most recent year. The household adjustment factor cannot be less than one.

(q) "Growth adjustment factor" means the household adjustment factor in the case of counties, cities, and towns. In the case of school districts the growth adjustment factor means the average daily membership of the school district under section 124.17, subdivision 2, for the school year ending in the second most recent year preceding that in which the aids are payable divided by the average daily membership for the third most recent year. In the case of special taxing districts, the growth adjustment factor equals one. The growth adjustment factor cannot be less than one.

(r) For aid payable in 1992, "homestead and agricultural credit base" means the previous year's certified homestead and agricultural credit aid determined under subdivision 2 plus, for aid payable in 1992, fiscal disparity homestead and agricultural credit aid under subdivision 2b. For aid payable in 1993, "homestead and agricultural credit base" means the previous year's certified homestead and agricultural credit aid determined under subdivision 2, less any reductions in 1992 required under sections 477A.012, subdivision 7; 477A.013, subdivision 9; and 477A.0135, subdivision 2. For aid payable in 1994 and subsequent years, "homestead and agricultural credit base" means the previous year's certified homestead and agricultural credit aid determined under subdivision 2.

(s) "Net tax capacity adjustment" means (1) the total previous net tax capacity minus the total net tax capacity, multiplied by (2) the unique taxing jurisdiction's current local tax rate. The net tax capacity adjustment cannot be less than zero.

(t) "Fiscal disparity adjustment" means the difference between (1) a taxing jurisdiction's fiscal disparity distribution levy under section 473F.08, subdivision 3, clause (a), for taxes payable in the year prior to that for which aids are being calculated, and (2) the same distribution levy multiplied by the ratio of the highest class rate for class 3 property for taxes payable in the year prior to that for which aids are being calculated to the highest class rate for class 3 property for taxes payable in the second prior year to that for which aids are being calculated. In the case of school districts, the fiscal disparity distribution levy shall exclude that part of the levy attributable to equalized school levies as defined in subdivision 2a.

Sec. 2. Minnesota Statutes 1990, section 273.1398, subdivision 3, is amended to read:

Subd. 3. [DISPARITY REDUCTION AID.] (a) For taxes payable in 1990, and subsequent years, the amount of disparity aid originally certified for each unique taxing jurisdiction for taxes payable in the prior year shall be multiplied by the ratio of (1) the jurisdiction's tax capacity using the class rates for taxes payable in the year for which aid is being computed, provided that the class rates for the portion of class 1a and 1b property and class 2a property shall be 2 percent for the market value between \$68,000 and \$110,000 and 2.5 percent for the market value over \$110,000, to (2) its tax capacity using the class rates for taxes payable in the year prior to that for which aid is being computed, both based upon market values for taxes payable in the year prior to that for which aid is being computed. For taxes payable in 1992 and subsequent years, the amount of disparity aid certified to each taxing jurisdiction shall be reduced by any reduction required in 1992 pursuant to sections 477A.012, subdivision 7; 477A.013, subdivision 9; and 477A.0135, subdivision 2.

(b) The disparity reduction aid is allocated to each local govern-

ment levying taxes in the unique taxing jurisdiction in the proportion that the local government's payable gross taxes bears to the total payable gross taxes levied within the unique taxing jurisdiction.

Sec. 3. Minnesota Statutes 1990, 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 education aids paid under chapters 124 and 124A, homestead and agricultural credit aid and disparity reduction aid paid under this section, local government aid to cities, counties, and towns paid under chapter 477A, and 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 local tax 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 local tax rate will be determined. This total gross local tax 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 local tax 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. For aid payable in 1992 and subsequent years, the aid payable under this subdivision shall be reduced by any reduction required in 1992 pursuant to sections 477A.012, subdivision 7; 477A.013, subdivision 9; and 477A.0135, subdivision 2.

Sec. 4. Minnesota Statutes 1990, section 477A.011, subdivision 27, as amended by Laws 1991, chapter 2, article 8, section 2, is amended to read:

Subd. 27. [REVENUE BASE.] "Revenue base" means the amount levied for taxes payable in 1991, including the levy on the fiscal disparity distribution under section 473F.08, subdivision 3, paragraph (a), and before reduction for the homestead and agricultural credit aid under section 273.1398, subdivision 2, equalization aid under section 477A.013, subdivision 5, and disparity reduction aid under section 273.1398, subdivision 3; plus the originally certified local government aid under sections 477A.011; 477A.012, subdivisions 1, and 3, and 6, determined without regard to subdivision 2; and 477A.013, subdivisions 1, subdivision 3, 6, and 7; and the estimated taconite aids used to determine levy limits for taxes payable in 1991 under section 275.51, subdivision 3i.

Sec. 5. Minnesota Statutes 1990, section 477A.011, is amended by adding a subdivision to read:

Subd. 29. [ADJUSTED REVENUE BASE.] "Adjusted revenue base" means revenue base as defined in subdivision 27 less the special levy under section 275.50, subdivision 5, paragraph (a).

Sec. 6. Minnesota Statutes 1990, section 477A.011, is amended by adding a subdivision to read:

Subd. 31. [1992 REDUCTION PERCENTAGE.] "1992 reduction percentage" means the equal percentage reduction in each county, city, and special taxing district adjusted revenue base that is necessary to reduce 1992 aid payments under sections 477A.012, subdivisions 1, 3, and 4; 477A.013, subdivisions 3 and 5; 273.1398, subdivisions 2, 3, and 5, by a combined amount of \$51,000,000. Hospital districts are not considered special taxing districts for purposes of this subdivision.

Sec. 7. Minnesota Statutes 1990, section 477A.012, subdivision 1, as amended by Laws 1991, chapter 2, article 8, section 4, is amended to read:

Subdivision 1. [AID AMOUNT.] In calendar year 1990, each county government shall receive a distribution equal to the aid amount certified for 1987 pursuant to this subdivision. Except as provided in subdivision subdivisions 6 and 7, in calendar year years 1991 and subsequent years 1992, each county government shall receive a distribution equal to the aid amount it received in 1990 under this subdivision less the reduction made under subdivision 5. In calendar year 1993 and subsequent years, each county government shall receive a distribution equal to the aid amount it received under this subdivision in 1992 less the reductions made under subdivision 7.

Sec. 8. Minnesota Statutes 1990, section 477A.012, is amended by adding a subdivision to read:

Subd. 7. [1992 COUNTY AID ADJUSTMENT.] A county's 1992 payment of local government aid, homestead and agricultural credit aid, disparity reduction aid, and additional homestead and agricultural credit guarantee is reduced by the product of its adjusted revenue base and the 1992 reduction percentage. The aid reduction is first applied to a county's local government aid; then, if necessary, its homestead and agricultural credit aid; then, if necessary, its disparity reduction aid; and then, if necessary, its additional homestead and agricultural credit guarantee.

Sec. 9. Minnesota Statutes 1990, section 477A.013, subdivision 3, as amended by Laws 1991, chapter 2, article 8, section 7, 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~~ 1992, a city will receive an amount equal to the local government aid it received under this section in the previous year, except as provided in ~~subdivision~~ subdivisions 8 and 9. In 1993 and subsequent years, a city will receive an amount equal to the local government aid it received under this section in 1992 less the amounts deducted in 1992 under subdivision 9.

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, or (2) its initial aid amount, or (3) 15 percent of the total local government aid amount received under this section in the previous year, provided that no city will receive an increase that is less than two percent of its 1989 local government aid for aids payable in 1990.

A city whose initial aid is \$0 will receive in 1990 an amount equal to 102 percent of the local government aid it received in 1989 under Minnesota Statutes 1988, section 477A.013. ~~A city whose initial aid is \$0 will receive in 1991 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" does not include equalization aid amounts under subdivision 5.

Sec. 10. Minnesota Statutes 1990, section 477A.013, is amended by adding a subdivision to read:

Subd. 9. [1992 CITY AID ADJUSTMENT.] A city's or town's 1992 payment of local government aid, equalization aid, homestead and agricultural credit aid, disparity reduction aid, and additional homestead and agricultural credit guarantee is reduced by the product of its adjusted revenue base and the 1992 reduction percentage. The aid reduction is first applied to a city's or town's local government aid; then, if necessary, its equalization aid; then, if necessary, its homestead and agricultural credit aid; then, if necessary, its disparity reduction aid; and then, if necessary, its additional homestead and agricultural credit guarantee.

Sec. 11. Laws 1991, chapter 2, article 8, section 9, is amended to read:

477A.0135 [SPECIAL TAXING DISTRICTS; 1991 AID REDUCTION.]

Subdivision 1. [1991 SPECIAL TAXING DISTRICTS AID ADJUSTMENT.] A special taxing district's July 20, 1991 payment of homestead and agricultural credit aid, and disparity reduction aid is reduced by the product of its revenue base and the reduction percentage, as determined in section 477A.011, subdivision 28. The aid reduction is first applied to a special taxing district's homestead and agricultural credit aid amount in its scheduled July 20, 1991 aid payment. If the aid reduction is greater than the homestead and agricultural credit aid amount in its scheduled July 20, 1991 aid payment, the remaining amount is then applied to the special taxing district's disparity reduction aid. The July 20, 1991 homestead and agricultural credit aid and disparity reduction aid payment to a special taxing district after this reduction cannot be less than \$0.

Subd. 2. [1992 SPECIAL TAXING DISTRICT AID ADJUSTMENT.] The 1992 payment of homestead and agricultural credit aid and disparity reduction aid to each special taxing district, excluding hospital districts, is reduced by the product of its adjusted revenue base and the 1992 reduction percentage. The aid reduction is first applied to a special taxing district's homestead and agricultural credit aid amount. If the aid reduction is greater than the homestead and agricultural credit aid, the remaining amount is then applied to the special taxing district's disparity reduction aid.

Sec. 12. Minnesota Statutes 1990, section 477A.014, subdivision 1, as amended by Laws 1991, chapter 2, article 8, section 10, is amended to read:

Subdivision 1. [CALCULATIONS AND PAYMENTS.] The commissioner of revenue shall make all necessary calculations and make payments pursuant to sections 477A.012, 477A.013, and 477A.03 directly to the affected taxing authorities annually. In addition, the commissioner shall notify the authorities of their aid amounts, as well as the computational factors used in making the calculations for their authority, and those statewide total figures that are pertinent, before August 15 of the year preceding the aid distribution year, except that for aid payable in 1990 the commissioner of revenue must notify the authorities of their aid amounts as well as the computational factors used in the calculation before October 23, 1989. The commissioner shall reduce the July 20, 1991, payment of local government aid, equalization aid, homestead and agricultural credit aid, and disparity reduction aid to counties, cities, towns, and special taxing districts by a combined amount of \$50,000,000. The commissioner shall reduce the county, city, and special taxing district aids for 1992 and subsequent years as specified in sections 477A.012, subdivision 7; 477A.013, subdivision 9; and 477A.0135, subdivision 2.

Sec. 13. Minnesota Statutes 1990, section 477A.015, is amended to read:

477A.015 [PAYMENT DATES.]

The commissioner of revenue shall make the payments of local government aid to affected taxing authorities in two installments on July 20 and December ~~15~~ 31 annually.

The commissioner may pay all or part of the payment due on December ~~15~~ 31 at any time after August 15 upon the request of a city that requests such payment as being necessary for meeting its cash flow needs.

Sec. 14. [REPEALER.]

Laws 1990, chapter 604, article 4, section 19, is repealed.

Sec. 15. [EFFECTIVE DATES.]

Section 13 is effective for aids payable in 1991. The remainder of this article is effective for aids payable in 1992 and subsequent years.

ARTICLE 3

LEVY LIMITS

Section 1. Minnesota Statutes 1990, section 275.125, is amended by adding a subdivision to read:

Subd. 6j. [LEVY FOR CRIME RELATED COSTS.] For taxes levied in 1991, payable in 1992 only, each school district may make a levy on all taxable property located within the school district for the purposes specified in this subdivision. The maximum amount which may be levied for all costs under this subdivision shall be equal to \$1 multiplied by the population of the school district. For purposes of this subdivision, "population" of the school district means the same as contained in section 275.14. The proceeds of the levy must be used for reimbursing the cities and counties who contract with the school district for the following purposes: (1) to pay the costs incurred for the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison services in the district's middle and secondary schools, (2) to teach drug abuse resistance education curricula in the elementary schools, and (3) to pay the costs incurred for the salaries and benefits of peace officers and sheriffs whose primary responsibilities are to investigate controlled substance crimes under chapter 152. The school district must initially attempt to contract for these services with the police department of each city or the sheriff department of the county

within the school district containing the school receiving the services. If a local police department or a county sheriff's department does not wish to provide the necessary services, the district may contract for these services with any other police or sheriff's department located entirely or partially within the school district's boundaries. The levy authorized under this subdivision is not included in determining the school district's levy limitations and must be disregarded in computing any overall levy limitations under sections 275.50 to 275.56 of the participating cities or counties.

Sec. 2. Minnesota Statutes 1990, section 275.50, subdivision 5, is amended to read:

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in 1990 payable in 1991 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) (k), 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) (k), 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) (k), 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~~ under sections 298.28 and 298.282;

(d) fund the payments made to the Minnesota state armory building commission ~~pursuant to~~ under 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~~ under section 270.16;

~~(j) (i) 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, provided that an appeal for the levy under this clause was approved by the commissioner of revenue under section 275.51, subdivision 3;~~

~~(k) (j) pay the cost of hospital care under section 261.21;~~

~~(k)~~ (k) 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~~ 3j;

~~(m)~~ (l) 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~~ 3j;

~~(n)~~ (m) 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~~ 3j. 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)~~ (n) 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 ~~(a)~~. This limit may be redistributed according to the provisions of section 134.342. In no event shall the special levy be less than the minimum levy required under sections 134.33 and 134.34, subdivisions 1 and 2;

~~(p)~~ (o) 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 273.1308, 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, as amended by Laws 1990, chapter 604, article 9, section 14;

(u) (p) 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.

(iii) If the amount levied under this paragraph (u) clause (ii) in 1989 for public assistance programs 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 under clause (ii) in 1989 for public assistance programs is greater than the actual expenditures needed for these programs for 1990, the difference between the amount levied and the actual expenditures shall be deducted from the 1990 levy limit, payable in 1991;

(v) pay an amount of up to 25 percent of the money sought for

distribution and approved under section 115A.557, subdivision 3, paragraph (b), clause (3);

(w) (q) pay the unreimbursed costs of per diem jail or correctional facilities services paid by the county in the previous 12-month period ending on July 1 of the current year provided that the county is operating under a department of corrections directive that limits the capacity of a county jail as authorized in section 641.01 or 641.262, or a correctional facility as defined in section 241.021, subdivision 1, paragraph (5);

(x) for taxes levied in 1990 and 1991, payable in 1991 and 1992 only, pay the operating or maintenance costs of a county jail as authorized in section 641.01 or 641.262, or of a correctional facility as defined in section 241.021, subdivision 1, paragraph (5), to the extent that the county can demonstrate to the commissioner of revenue that the amount has been included in the county budget as a direct result of a rule, minimum requirement, minimum standard, or directive of the department of corrections. If the county utilizes this special levy, any amount levied by the county in the previous levy year for the purposes specified under this clause and included in the county's previous year's levy limitation computed under section 275.51, shall be deducted from the levy limit base under section 275.51, subdivision 3f, when determining the county's current year levy limitation. The county shall provide the necessary information to the commissioner of revenue for making this determination;

(y) for taxes levied in 1990, payable in 1991 only, pay an amount equal to the unreimbursed county costs paid in 1980 and 1990 for the purpose of grasshopper control; and, (r) for taxes levied in 1991 payable in 1992 only, pay an amount equal to the unreimbursed county costs paid in 1991 for the purpose of grasshopper control;

(z) (s) for a county, provide an amount needed to fund comprehensive local water implementation activities under sections 103B.3361 to 103B.3369 as provided in this clause.

A county may levy an amount not to exceed the water implementation local tax rate times the adjusted net tax capacity of the county for the preceding year. The water implementation local tax rate shall be set by August 1 each year by the commissioner of revenue for taxes payable in the following year. As used in this paragraph, the "adjusted net tax capacity of the county" means the net tax capacity of the county as equalized by the commissioner of revenue based upon the results of an assessment/sales ratio study. That rate shall be the rate, rounded up to the nearest one-thousandth of a percent, that, when applied to the adjusted net tax capacity for all counties, raises the amount specified in this clause. The water implementation local tax rate for taxes levied in 1990 shall be the rate that raises \$1,500,000 and the rate for taxes levied in 1991 shall be the

rate that raises \$1,500,000. A county must levy a tax at the rate established under this clause to qualify for a grant from the board of water and soil resources under section 103B.3369, subdivision 5;

~~(aa)~~ (t) pay the unreimbursed county costs for court-ordered family-based services and court-ordered out-of-home placement for children to the extent that the county can demonstrate to the commissioner of revenue that the estimated amount included in the county's budget for the following levy year is for the purposes specified under this clause. For purposes of this special levy, costs for "family-based services" and "out-of-home placement" means costs resulting from court-ordered targeted family services designed to avoid out-of-home placement and from court-ordered out-of-home placement under the provisions of sections 260.172 and 260.191, which are unreimbursed by the state or federal government, insurance proceeds, or parental or child obligations. Any amount levied under this clause must only be used by the county for the purposes specified in this clause.

If the county uses this special levy and the county levied an amount in the previous levy year, for the purposes specified under this clause, under another special levy or under the levy limitation in section 275.51, the following adjustments must be made:

(i) The amount levied in the previous levy year for the purposes specified under this clause under the levy limitation in section 275.51 must be deducted from the levy limit base under section 275.51, subdivision 3f, when determining the current year levy limitation.

(ii) The amount levied in the previous levy year, for the purposes specified under clause (a) ~~or (u)~~ must be deducted from the previous year's amount used to calculate the maximum amount allowable under clause (a) in the current levy year; ~~and~~

~~(bb)~~ (u) pay the amounts allowed as special levies under Laws 1989, First Special Session chapter 1, article 5, section 50, and subdivisions subdivision 5a and 5b;

(v) for taxes levied in 1991 only by a county, pay the costs reasonably expected to be incurred in 1992 related to the redistricting of election districts and establishment of election precincts under sections 204B.135 and 204B.14, the notice required by section 204B.14, subdivision 4, and the reassignment of voters in the statewide registration system, not to exceed \$1 per capita, provided that the county shall distribute a portion of the amount levied under this clause equal to 25 cents times the population of the city to all cities within the county with a population of 30,000 or greater;

(w) for taxes levied in 1991, payable in 1992 only, provide an amount equal to 50 percent of the estimated amount of the reduction

in aids payable in 1992 under section 9 to a county located in the third or sixth judicial district for public defense services in juvenile and misdemeanor cases; and

(x) for taxes levied in 1991, payable in 1992 only, provide an amount equal to 50 percent of the estimated amount of reduction in aids payable in 1992 under section 9, to a county for the cost of jury fees.

Sec. 3. Minnesota Statutes 1990, section 275.50, subdivision 5a, is amended to read:

Subd. 5a. [SPECIAL LEVIES; LOCAL.] "Special levies" also includes those portions of ad valorem taxes levied by the following governmental subdivisions for the years and purposes given in the cited laws:

(1) Goodhue county for the county historical society as provided in Laws 1990, chapter 604, article 3, section 50;

(2) the city of Windom for a municipal hospital as provided in Laws 1990, chapter 604, article 3, section 51;

(3) Koochiching county for ambulance service as provided in Laws 1990, chapter 604, article 3, section 52;

(4) Douglas county for solid waste management as provided in Laws 1990, chapter 604, article 3, section 53;

(5) the city of Bemidji and Beltrami county to pay bonds for an airport terminal as provided in Laws 1990, chapter 604, article 3, section 57;

(6) Ramsey county to pay bonds for a facility for the arts and sciences as provided in Laws 1990, chapter 604, article 3, section 58;

(7) the city of Rosemount for an armory as provided in Laws 1990, chapter 604, article 3, section 59;

(8) the cities of Maple Grove, Brooklyn Park, Brooklyn Center, and Coon Rapids for peace officer salaries and benefits as provided in Laws 1990, chapter 604, article 3, section 60; ~~and~~

(9) a city described in and for debt service as provided in Laws 1990, chapter 604, article 3, section 61;

(10) Itasca county for economic development under Laws 1989, First Special Session chapter 1, article 5, section 50, as amended by section 10;

(11) Pope county for solid waste management as provided in section 13;

(12) Swift county for social services as provided in section 14;

(13) Mille Lacs county for social services as provided in section 15;

(14) Coon Creek watershed as provided in section 17;

(15) Kanaranzi-Little Rock watershed district as provided in section 18; and

(16) Great River Regional Library as provided in section 20.

Sec. 4. Minnesota Statutes 1990, 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 1991 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) (b) For taxes levied in 1989 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 by a county that is located in the eighth judicial district, the levy limit base determined under Minnesota Statutes 1990, section 275.51, subdivision 3f, paragraphs (d) and (e) is reduced by the product of (1) 103 percent of one-half of the fees collected by the courts in the county during calendar year 1988, and (2) the adjustments under subdivision 3h, paragraphs (a) and (b) for taxes levied in 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) (c) 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.

(d) For taxes levied in 1991 in a county that is located in the third or sixth judicial districts, the levy limit base shall be reduced by an amount equal to the reduction in aids payable in 1992 for the cost of public defense services in juvenile and misdemeanor cases in the county as certified by the board of public defense under section 9.

(e) For taxes levied in 1991, the county's levy limit base shall be reduced by an amount equal to the reduction in aids payable in 1992 for the cost in the county of jury fees as certified by the supreme court under section 9.

(f) For taxes levied in 1991, the levy limit base shall be increased by the amounts levied in 1990 under Minnesota Statutes 1990, section 275.50, subdivision 5, clauses (h), (q), (v), and (x).

Sec. 5. Minnesota Statutes 1990, section 275.51, subdivision 3h, is amended to read:

Subd. 3h. [ADJUSTED LEVY LIMIT BASE.] For taxes levied in 1989 1991 and thereafter, the adjusted levy limit base is equal to the levy limit base computed pursuant to under subdivision 3f, increased by:

(a) three percent for taxes levied in 1989 and subsequent years three percent for taxes levied in 1991 and subsequent years; and

(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 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.

For taxes levied in 1990, the adjusted levy limit base of a city is reduced by an amount equal to the percent of the city's revenue base used in determining aid reductions under section 477A.013, subdivision 7. For taxes levied in 1990, the adjusted levy limit base of a county is reduced by one-half of the amount equal to the percent of the county's revenue base used in determining aid reductions under section 477A.012, subdivision 5.

For taxes levied in 1991, the adjusted levy limit base is reduced by an amount equal to the amount of aid reduction in article 2, sections 8, 10, and 11.

Sec. 6. Minnesota Statutes 1990, section 275.51, subdivision 3j, is amended to read:

Subd. 3j. [APPEALS.] (a) A county may appeal to the commissioner of revenue for an adjustment in its levy limit base. If the county can provide evidence satisfactory to the commissioner that its levy for taxes payable in 1989 under Minnesota Statutes 1988, section 275.50, subdivision 5, paragraph (a), included a levy for the cost of administration of the programs listed in that paragraph, the commissioner may permit the county to increase its levy limit base

under this section by the amount determined by the commissioner to have been levied for that purpose, provided that the total adjustment shall not be in excess of three percent of the total expense for income maintenance programs within the county. The commissioner's decision is final.

(b) A governmental subdivision subject to the limitations in this section may appeal to the commissioner of revenue for authorization to levy for the special levies as contained in section 275.50, subdivision 5, clauses (4), (m), and (n) (i), (k), (l), and (m). If the governmental subdivision can provide evidence satisfactory to the commissioner that it incurred costs for the specified purposes of those levies, the commissioner may allow the governmental subdivision to levy under section 275.50, subdivision 5, clause (4), (m), or (n) (i), (k), (l), or (m), by the amount determined by the commissioner. The commissioner's decision is final.

(c) A county may appeal to the commissioner of revenue for an adjustment to its levy limit base for taxes levied in 1989. If the county can provide evidence satisfactory to the commissioner that the percentage adjustments to the costs, fees, or fines described in subdivision 3f, paragraph (c) or (f), do not provide accurate adjustments for that county, the commissioner may permit the county to increase its levy limit base by the amount determined by the commissioner. The commissioner's decision is final.

(d) A county may appeal to the commissioner of revenue for an increase in its levy base for the 12 or 15 percent limit under section 275.50, subdivision 5, clause (u), item (i), for the portion of the amount of its payable 1989 special levy under Minnesota Statutes 1988, section 275.50, subdivision 5, clause (a), for the income maintenance programs that was actually used to finance social services and social services administration subject to the 18 percent limit under Minnesota Statutes 1988, section 275.50, subdivision 5, clause (a), for payable 1989. If the county can provide evidence satisfactory to the commissioner in support of this claim, the commissioner may permit the county to increase its levy base for the 12 or 15 percent limit under section 275.50, subdivision 5, clause (u), item (i), in the amount determined by the commissioner. The commissioner's decision is final.

(e) A county may appeal to the commissioner of revenue for an adjustment in its special levy for 1990 under section 275.50, subdivision 5, clause (u), item (ii), if the difference between the county share of costs not reimbursed by the state or federal government of payments made in 1989 to or on behalf of recipients of aid under any public assistance program authorized by law and the amount levied in 1988 to pay those costs is greater than 30 percent of the 1989 costs. The adjustment may not exceed the amount of the difference between the county share of these costs and the amount levied in 1988 to pay these costs.

Sec. 7. Minnesota Statutes 1990, section 398A.04, subdivision 8, is amended to read:

Subd. 8. [TAXATION.] Before deciding to exercise the power to tax, the authority shall give six weeks published notice in all municipalities in the region. If a number of voters in the region equal to five percent of those who voted for candidates for governor at the last gubernatorial election present a petition within nine weeks of the first published notice to the secretary of state requesting that the matter be submitted to popular vote, it shall be submitted at the next general election. The question prepared shall be:

“Shall the regional rail authority have the power to impose a property tax?

Yes

No

If a majority of those voting on the question approve or if no petition is presented within the prescribed time the authority may levy a tax at any annual rate not exceeding 0.04835 percent of market value of all taxable property situated within the municipality or municipalities named in its organization resolution. Its recording officer shall file in the office of the county auditor of each county in which territory under the jurisdiction of the authority is located a certified copy of the board of commissioners' resolution levying the tax, and each county auditor shall assess and extend upon the tax rolls of each municipality named in the organization resolution the portion of the tax that bears the same ratio to the whole amount that the net tax capacity of taxable property in that municipality bears to the net tax capacity of taxable property in all municipalities named in the organization resolution. Collections of the tax shall be remitted by each county treasurer to the treasurer of the authority. For taxes levied in 1991, the amount levied for light rail transit purposes under this subdivision shall not exceed 75 percent of the amount levied in 1990 for light rail transit purposes under this subdivision.

Sec. 8. Minnesota Statutes 1990, section 473.3994, is amended by adding a subdivision to read:

Subd. 9. [LIGHT RAIL TRANSIT OPERATING COSTS.] (a) Before submitting an application for federal assistance for light rail transit facilities in the metropolitan area, the applicant must provide to the metropolitan council estimates of the amount of operating subsidy which will be required to operate light rail transit in the corridor to which the federal assistance would be applied. The information provided to the council must indicate the amount of operating subsidy estimated to be required in each of the first ten years of operation of the light rail transit facility.

(b) The council must review and evaluate the information provided under paragraph (a) with regard to the effect of operating the light rail transit facility on the currently available mechanisms for financing transit in the metropolitan area.

(c) The council must present its evaluation to the transportation and taxes committees of the house and senate, to the appropriations committee of the house and the finance committee of the senate, to the local government and metropolitan affairs committee of the house, and to the metropolitan affairs committee of the senate.

Sec. 9. Minnesota Statutes 1990, section 477A.012, is amended by adding a subdivision to read:

Subd. 8. [AID OFFSET FOR 1992 COURT AND PUBLIC DEFENDER COSTS.] (a) There shall be deducted from the payment to a county under this section an amount equal to the cost of jury fees and, in the case of a county located in the third or sixth judicial districts, of public defense services in juvenile and misdemeanor cases, to the extent those costs are assumed by the state for the fiscal year beginning on July 1, 1992. 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 cost for each county of jury fees during the fiscal year beginning on July 1, 1992.

(c) By June 30, 1991, the board of public defense shall determine and certify to the department of revenue the pro rata share for each county in the third or sixth judicial district of the cost of the state-financed public defense services in juvenile and misdemeanor cases in the third or sixth judicial district during the fiscal year beginning on July 1, 1992.

(d) One-half of the amount computed under paragraphs (b) and (c) for each county shall be deducted from each local government aid payment to the county under section 477A.015 in 1992 and each subsequent year. 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, and then, if necessary, from the disparity reduction aid under section 273.1398, subdivision 3.

Sec. 10. Laws 1989, First Special session chapter 1, article 5, section 50, is amended to read:

Sec. 50. [LEVY LIMIT EXCEPTION.]

For taxes levied in 1989 ~~and~~, 1990, and 1991 only, payable in 1990

and, 1991, and 1992 only, a levy by the Itasca county board under Laws 1988, chapter 517, is not subject to the levy limitations of Minnesota Statutes, sections 275.50 to 275.56, or other law.

Sec. 11. [BECKER COUNTY; LEVY LIMIT BASE ADJUSTMENT.]

For taxes payable in 1992, the levy limit base for Becker county computed under Minnesota Statutes, section 275.51, subdivision 3f, shall be increased by an amount of \$900,000, which is equal to expenditures that Becker county made from reserve funds in calendar years 1987 and 1988, including federal revenue sharing funds.

Sec. 12. [BECKER COUNTY; DELAY OF EXCESS LEVY PENALTY FROM TAXES PAYABLE IN 1990.]

Notwithstanding Minnesota Statutes, section 275.51, subdivision 4, 275.55, subdivision 1, or any other law, the penalty imposed on Becker county for exceeding its levy limitation for taxes payable in 1990 is delayed until calendar year 1992. If the actual amount levied by Becker county for taxes payable in 1992 is less than its levy limitation for taxes payable in 1992 as adjusted by section 11, the commissioner of revenue shall decrease the 1990 excess levy subject to a penalty by the difference between the payable 1992 levy limitation and the payable 1992 actual levy, up to the full amount of the excess levy.

Sec. 13. [POPE COUNTY; SOLID WASTE MANAGEMENT LEVY.]

For taxes levied in 1990, payable in 1991, and thereafter, Pope county may levy the amount necessary to pay the principal and interest on department of energy and economic development loans made to the Pope-Douglas solid waste board on June 10, 1985, and June 15, 1986, for solid waste management purposes. The levy must be made as provided under Minnesota Statutes, section 400.11.

The levy authority under this section is a special levy and is not subject to the limitations in Minnesota Statutes, sections 275.50 to 275.56.

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

Sec. 14. [INCREASE IN SOCIAL SERVICES SPECIAL LEVY FOR SWIFT COUNTY.]

Subdivision 1. The amount levied by Swift county for taxes levied in 1991 under Minnesota Statutes 1990, section 275.50, subdivision 5, clause (a), is limited to 115 percent of the sum of (1) the amount

levied under that clause in the previous year, plus (2) the amount levied under Minnesota Statutes 1990, section 275.50, subdivision 5, clause (aa), in the previous year, plus (3) \$250,000.

Subd. 2. Subdivision 1 is effective the day following approval by the Swift county board and compliance with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 15. [INCREASE IN SOCIAL SERVICES SPECIAL LEVY FOR MILLE LACS COUNTY.]

Subdivision 1. The amount levied by Mille Lacs county for taxes levied in 1991 under Minnesota Statutes 1990, section 275.50, subdivision 5, clause (a), is limited to 115 percent of the sum of (1) the amount levied under this clause in the previous year, plus (2) the amount levied under Minnesota Statutes 1990, section 275.50, subdivision 5, clause (aa), in the previous year, plus (3) the amount levied by Mille Lacs county for social services in 1990, payable in 1991, under Laws 1990, chapter 604, article 3, section 54.

Subd. 2. Subdivision 1 is effective the day following approval by the Mille Lacs county board and compliance with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 16. [GOODHUE COUNTY; EXCESS LEVY PENALTY ABATEMENT.]

The excess levy amount of \$500,000, which Goodhue county levied in 1990, for taxes payable in 1991, shall be exempt from the penalties imposed under sections 275.51, subdivision 4, and 275.55.

Sec. 17. [COON CREEK WATERSHED DISTRICT; WATER MAINTENANCE AND REPAIR FUND.]

Subdivision 1. [CREATION OF FUNDS; TAX LEVY.] Notwithstanding section 22, the Coon Creek watershed district may, in addition to its other powers, establish a water maintenance and repair fund. The fund must be kept distinct from all other funds of the district. The fund must be maintained by an annual ad valorem tax levy on the net tax capacity of all taxable property within the Coon Creek watershed district sufficient to raise not more than \$30,000 in taxes payable in 1992, and not more than \$30,000 in each year thereafter. The board of managers of the district shall adopt each year, by resolution, the amount to be raised by the levy for the fund for the ensuing year. This amount must be levied, collected, and distributed to the district in accordance with Minnesota Statutes, section 103D.915, in addition to any other money levied, collected, and distributed to the district.

Subd. 2. [PURPOSE OF FUND.] The water maintenance and

repair fund may be used for maintenance, repair, restoration, upkeep, and rehabilitation of public ditches, drains, dams, sewers, rivers, streams, watercourses, and water bodies, natural or artificial, lying wholly or partly within the district.

Subd. 3. [WORKS; MUNICIPALITIES.] Works to be undertaken and paid for from the water maintenance and repair fund must be ordered by the board of managers of the district. Before the commencement of works is ordered, affected municipalities must be notified in writing by the district of the proposed works and estimated costs. Within 30 days following receipt of the written notice, an affected municipality may notify the district in writing that it will perform the works ordered by the district. If the municipality undertakes the works, it must be paid by the district from the water maintenance and repair fund. If the municipality fails to perform the works, the district may have the works performed in any other manner authorized by law.

Sec. 18. [TAX LEVY; KANARANZI-LITTLE ROCK WATERSHED DISTRICT.]

Notwithstanding section 22 and in addition to the levy authorized in Minnesota Statutes, section 103D.905, subdivision 3, and Laws 1989, chapter 275, the Kanaranzi-Little Rock watershed district administrative fund under Minnesota Statutes, section 103D.905 consists of an additional levy for the costs of administration of the PL-566 Upland Conservation Program. The levy must be a percentage on the net tax capacity of all taxable property within the Kanaranzi-Little Rock watershed district sufficient to raise not more than \$30,000 for taxes payable in 1992, and not more than \$30,000 in each year thereafter. The board of managers of the district shall adopt each year, by resolution, the amount to be raised by the levy for the fund for the ensuing year. This amount must be levied, collected, and distributed to the district in accordance with Minnesota Statutes, section 103D.915, in addition to any other money levied, collected, and distributed to the district.

Sec. 19. [FEDERAL FUNDING; LIGHT RAIL TRANSIT.]

(a) By January 1, 1993, the regional transit board and the commissioner of transportation shall, in consultation with the affected regional rail authorities, prepare a joint application for federal assistance for light rail transit facilities in the metropolitan area. The application must be reviewed and approved by the metropolitan council before it is submitted by the board and the commissioner. In reviewing the application the council must consider the information submitted to it under section 473.3994, subdivision 9. The board and the commissioner must consult with the council in preparing the application. The application may provide for metropolitan regional railroad authorities to design or

construct light rail transit facilities under contract with the commissioner.

(b) Until the application described in paragraph (a) of this section is submitted, no political subdivision in the metropolitan area may on its own seek federal assistance for light rail transit planning or construction.

Sec. 20. [GREAT RIVER REGIONAL LIBRARY SPECIAL LEVY.]

The amount levied in 1991, payable in 1992, by member local governments of the Great River Regional Library under section 275.50, subdivision 5, clause (m), may be increased by an additional 2 percent over the amount authorized in that clause if the city library board of the city of Paynesville or the city of Staples vote by August 1, 1991, to join that regional library system.

Sec. 21. [AUTHORITY TO TRANSFER LIGHT RAIL MONEY.]

Notwithstanding any law to the contrary, a metropolitan county regional railroad authority may transfer any available money of the authority, including money in capital accounts, to its county to be expended to meet social service costs during 1991. The authority under this section to transfer a regional railroad authority's levy applies only during calendar year 1991.

Sec. 22. [SPECIAL TAXING DISTRICTS 1992 LEVY LIMITS.]

Notwithstanding any other general or special law or any charter provision, for taxes levied in 1991, payable in 1992 only, the amount levied by a special taxing district for nondebt purposes is limited to (1) the amount levied by the special taxing district in 1990 for nondebt purposes, increased by (2) three percent. For purposes of this section, the commissioner of revenue shall define "special taxing district" and "nondebt purposes."

Sec. 23. [SPECIAL SERVICE DISTRICT; CITY OF CROOKSTON.]

Subdivision 1. [SPECIAL SERVICES DEFINED.] For purposes of this section, "special services" means all services rendered or contracted for by the city of Crookston, including, but not limited to:

(1) the repair, maintenance, operation, and construction of any improvement authorized by Minnesota Statutes, section 429.021;

(2) parking services rendered or contracted for by the city; and

(3) any other service or improvement provided by the city or development authority that is authorized by law or charter.

Subd. 2. [ESTABLISHMENT OF SPECIAL SERVICE DISTRICT.] The governing body of the city of Crookston may adopt an ordinance establishing a special service district to be operated by the city of Crookston. Minnesota Statutes, chapter 428A, governs the establishment and operation of special service districts in the city.

Subd. 3. [LOCAL APPROVAL.] This section is effective the day following compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Crookston.

Subd. 4. [LOCAL APPROVAL; EFFECTIVE DATE.] Subdivisions 1 to 3 are effective the day after approval by the governing body of the city of Crookston and its compliance with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 24. [APPLICATION.]

Sections 8, 19, and 21 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 25. [EFFECTIVE DATE.]

Sections 1 to 8, 17, and 18 are effective for taxes levied in 1991, payable in 1992, and thereafter. That portion of section 9 relating to the third and sixth judicial districts' juvenile and misdemeanor public defender costs is effective for aids payable in 1992 and subsequent years, if a law providing for the state assumption of these costs is enacted. That portion of section 9 relating to the cost of jury fees is effective for aids payable in 1992 and subsequent years, if a law providing for the state assumption of jury fees is enacted. Section 10 is effective for taxes payable in 1992. Sections 11 and 12 are effective the day after local approval by the Becker county board and compliance with Minnesota Statutes, section 645.021, subdivision 3.

ARTICLE 4

TRUTH IN TAXATION

Section 1. Minnesota Statutes 1990, section 275.065, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF PROPOSED PROPERTY TAXES.] (a) The county auditor shall prepare and the county treasurer shall deliver on or before November 10 each year, by first class mail to each taxpayer at the address listed on the county's current year's assess-

ment roll, a notice of proposed property taxes and, in the case of a town, final property taxes.

(b) The commissioner of revenue shall prescribe the form of the notice.

(c) The notice must inform taxpayers that it contains the amount of property taxes each taxing authority other than a town proposes to collect for taxes payable the following year as required in paragraph (d) or (e) and, for a town, the amount of its final levy. It must clearly state that each taxing authority, other than a town or special taxing district, will hold a public meeting to receive public testimony on the proposed budget and proposed or final property tax levy, or, in case of a school district, on the current budget and proposed property tax levy. It must clearly state the time and place of each taxing authority's meeting and an address where comments will be received by mail. ~~It must state the time and place for the continuation of the hearing if the hearing is not completed on the original date.~~

(d) Except as provided in paragraph (e), for taxes levied in 1990 and 1991, the notice must state by county, city or town, and school district:

(1) the total proposed or, for a town, final property tax levy for taxes payable the following year after reduction for state aid;

(2) the percentage increase or decrease from the actual property tax levy for taxes payable in the current year; and

(3) for counties, cities, and towns, the increase or decrease in population from the second previous calendar year to the immediately prior calendar year, and for school districts, the increase or decrease in the number of pupils in average daily membership from the ~~second previous current school year~~ to the immediately prior following school year as determined by the commissioner of education. The data used to determine the increase or decrease in population under this clause must be the data used for purposes of the population adjustment to the levy limit base of the county, city, or town under section 275.51, subdivision 6.

For notices which are not parcel-specific, the notice must also state a total percentage increase or decrease in the proposed levy, relative to the actual property tax levy for taxes payable in the current year for the county, city or town, and school district. The county auditor shall compute the total percentage increase or decrease as an average percentage change weighted in proportion to each taxing jurisdiction's proportion of the total levy.

For purposes of this paragraph, "proposed property taxes after

reduction for state aid" means the taxing authority's levy certified under section 275.07, subdivision 1.

(e) In the case of a county containing a city of the first class, or taxing authority lying wholly within a county or counties containing a city of the first class, for taxes levied in 1991, and thereafter, and for all counties for taxes levied in 1992 and thereafter, the notice must state for each parcel:

(1) the market value of the property as defined under section 272.03, subdivision 8, for property taxes payable in the following year and for taxes payable the current year;

(2) by county, city or town, school district, the sum of the special taxing districts, and as a total of the taxing authorities, including special taxing districts, the proposed or, for a town, final net tax on the property for taxes payable the following year and the actual tax for taxes payable the current year. In the case of a parcel where tax increment or the fiscal disparities areawide tax applies, the proposed tax levy on the captured value or the proposed tax levy on the tax capacity subject to the areawide tax must each be stated separately and not included in the sum of the special taxing districts; and

(3) the increase or decrease in the amounts in clause (2) from taxes payable in the current year to proposed or, for a town, final taxes payable the following year, expressed as a dollar amount and as a percentage.

(f) The notice must clearly state that the proposed or final taxes do not include the following:

(1) special assessments;

(2) levies approved by the voters after the date the proposed taxes are certified, including bond referenda, school district levy referenda, and levy limit increase referenda;

(3) amounts necessary to pay cleanup or other costs due to a natural disaster occurring after the date the proposed taxes are certified; and

(4) amounts necessary to pay tort judgments against the taxing authority that become final after the date the proposed taxes are certified.

(g) Except as provided in subdivision 7, failure of the county auditor to prepare or the county treasurer to deliver the notice as required in this section does not invalidate the proposed or final tax levy or the taxes payable pursuant to the tax levy.

(h) In the case of class 4 residential property used as a residence for lease or rental periods of 30 days or more, the taxpayer must either:

(1) mail or deliver a copy of the notice of proposed property taxes to each tenant, renter, or lessee; or

(2) post a copy of the notice in a conspicuous place on the premises of the property.

The notice must be mailed or posted by the taxpayer by November 13 or within three days of receipt of the notice, whichever is later. A taxpayer may notify the county treasurer of the address of the taxpayer, agent, caretaker, or manager of the premises to which the notice must be mailed in order to fulfill the requirements of this paragraph.

Sec. 2. Minnesota Statutes 1990, section 275.065, subdivision 5a, is amended to read:

Subd. 5a. [PUBLIC ADVERTISEMENT.] (a) A city that has a population of more than 1,000, county, or school district shall advertise in a newspaper a notice of its intent to adopt a budget and property tax levy or, in the case of a school district, a property tax levy to review its current budget and proposed property taxes payable in the following year, at a public hearing. The notice must be published not less than two business days nor more than six business days before the hearing.

For a city that has a population of more than 1,000 but less than 2,500 the advertisement must be at least one-eighth page in size of a standard-size or a tabloid-size newspaper, and the headlines in the advertisement stating the notice of proposed property taxes and the notice of public hearing must be in a type no smaller than 24-point 14-point. The text of the advertisement must be no smaller than 18-point 12-point, except that the property tax amounts and percentages may be in 14-point 10-point type.

For a city that has a population of 2,500 or more, a county or a school district, the advertisement must be at least one-quarter page in size of a standard-size or a tabloid-size newspaper, and the headlines in the advertisement stating the notice of proposed property taxes and the notice of public hearing must be in a type no smaller than 30-point. The text of the advertisement must be no smaller than 22-point, except that the property tax amounts and percentages may be in 14-point type.

The advertisement must not be placed in the part of the newspaper where legal notices and classified advertisements appear. The advertisement must be published in an official newspaper of general

circulation in the taxing authority. The newspaper selected must be one of general interest and readership in the community, and not one of limited subject matter. The advertisement must appear in a newspaper that is published at least once per week.

(b) The advertisement must be in the following form, except that the notice for a school district ~~must not~~ may include references to the current budget hearings or to adoption of a budget in regard to proposed property taxes:

“NOTICE OF

PROPOSED PROPERTY TAXES

(City/County/School District) of

The governing body of will soon hold budget hearings and vote on the property taxes for (city/county services that will be provided in 199 _ /school district services that will be provided in 199 _ and 199 _).

The property tax amounts below compare current (city/county/school district) property taxes and the property taxes that would be collected in 199 _ if the budget now being considered is approved.

199 _ Property Taxes	Proposed 199 _ Property Taxes	199 _ Increase or Decrease
\$.....	\$.....%

NOTICE OF PUBLIC HEARING:

All concerned citizens are invited to attend a public hearing and express their opinions on the proposed (city/county/school district) budget and property taxes or in the case of a school district, its current budget and proposed property taxes, payable in the following year. The hearing will be held on (Month/Day/Year) at (Time) at (Location, Address).

A continuation of the hearing, if necessary, will be held on (Month/Day/Year) at (Time) at (Location, Address).

Written comments may be directed to (Address).”

(c) A city with a population of 1,000 or less must advertise by posted notice as defined in section 645.12, subdivision 1. The

advertisement must be posted at the time provided in paragraph (a). It must be in the form required in paragraph (b).

(d) For purposes of this subdivision, the population of a city is the most recent population as determined by the state demographer under section 116K.04, subdivision 4.

Sec. 3. Minnesota Statutes 1990, section 275.065, subdivision 6, is amended to read:

Subd. 6. [PUBLIC HEARING; ADOPTION OF BUDGET AND LEVY.] Between November 15 and December 20, the governing bodies of the city and county shall each hold a public hearing to adopt its final budget and property tax levy for taxes payable in the following year, and the governing body of the school district shall hold a public hearing to review its current budget and adopt its property tax levy for taxes payable in the following year.

At the hearing, the taxing authority, other than a school district, may amend the proposed budget and property tax levy and must adopt a final budget and property tax levy, and the school district may amend the proposed property tax levy and must adopt a final property tax levy.

The property tax levy certified under section 275.07 by a city, county, or school district must not exceed the proposed levy determined under subdivision 1, except by an amount up to the sum of the following amounts:

(1) the amount of a school district levy whose voters approved a referendum to increase taxes under section 124A.03, subdivision 2, or 124.82, subdivision 3, after the proposed levy was certified;

(2) the amount of a city or county levy approved by the voters under section 275.58 after the proposed levy was certified;

(3) the amount of a levy to pay principal and interest on bonds issued or approved by the voters under section 475.58 after the proposed levy was certified;

(4) the amount of a levy to pay costs due to a natural disaster occurring after the proposed levy was certified, if that amount is approved by the commissioner of revenue under subdivision 6a;

(5) the amount of a levy to pay tort judgments against a taxing authority that become final after the proposed levy was certified, if the amount is approved by the commissioner of revenue under subdivision 6a; and

(6) the amount of an increase in levy limits certified to the taxing

authority by the commissioner of revenue or the commissioner of education after the proposed levy was certified.

At the hearing the percentage increase in property taxes proposed by the taxing authority, if any, and the specific purposes for which property tax revenues are being increased must be discussed. During the discussion, the governing body shall hear comments regarding a proposed increase and explain the reasons for the proposed increase. The public shall be allowed to speak and to ask questions prior to adoption of any measures by the governing body. The governing body, other than the governing body of a school district, shall adopt its final property tax levy prior to adopting its final budget.

If the hearing is not completed on its scheduled date, the taxing authority must announce, prior to adjournment of the hearing, the date, time, and place for the continuation of the hearing. The continued hearing must be held at least five business days but no more than 14 business days after the original hearing.

The hearing must be held after 5:00 p.m. if scheduled on a day other than Saturday. No hearing may be held on a Sunday. The county auditor shall provide for the coordination of hearing dates for all taxing authorities within the county.

By August 1, the county auditor shall notify the clerk of each school district within the county of the dates that the county board has designated for its hearing and any continuation under subdivision 3. By August 15, each school board shall certify to the county auditors of the counties in which the school district is located the dates on which it elects to hold its hearings and any continuations under subdivision 3. If a school board does not certify the dates by August 15, the auditor will assign the hearing date. The dates elected or assigned must not conflict with the county hearing dates. By August 20, the county auditor shall notify the clerks of the cities within the county of the dates on which the county and school districts have elected to hold their hearings. At the time a city certifies its proposed levy under subdivision 1 it shall certify the dates on which it elects to hold its hearings and any continuations under subdivision 3. The city must not select dates that conflict with those elected by or assigned to the counties and school districts in which the city is located.

The hearing dates so elected or assigned must be designated on the notices required under subdivision 3.

This subdivision does not apply to towns and special taxing districts.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective for taxes levied in 1991, payable in 1992, and thereafter.

ARTICLE 5

INCOME TAX AND FEDERAL UPDATE

Section 1. [268.55] [FOODSHELF ACCOUNT.]

Subdivision 1. [ESTABLISHMENT.] A foodshelf account is established in the state general fund to receive contributions designated on income tax returns and property tax refund forms. The state treasurer shall credit all interest earned on the money to the account.

Subd. 2. [DISTRIBUTION OF MONEY.] The statewide grantee designated by the legislature shall periodically distribute money in the account to qualifying foodshelf programs. A foodshelf program qualifies under this section if it is a nonprofit corporation, or is affiliated with a nonprofit corporation, as defined under section 501(c)(3) of the Internal Revenue Code of 1986, and distributes a standard food order without charge to needy individuals. The standard food order must consist of, at least, a two-day supply or six pounds per person of nutritionally balanced food items. A qualifying foodshelf program may not limit food distributions to individuals of a particular religious affiliation, race, or other criteria unrelated to need or to requirements necessary to administration of a fair and orderly distribution system. A qualifying foodshelf program may not use the money received or the food distribution program to foster or advance religious or political views. A qualifying foodshelf must have a stable address and directly serve individuals in a defined geographic area that is not also served in substantial part by another foodshelf. The statewide grantee shall resolve questions of whether two foodshelves are serving in substantial part the same area.

Subd. 3. [APPLICATION.] In order to receive money from the foodshelf account, a program must apply to the statewide grantee. The application must be in a form prescribed by the statewide grantee and must contain information specified by the statewide grantee to verify that the applicant is a qualifying foodshelf program and the amount the applicant is entitled to receive under subdivision 4. Applications must be filed at the times and for the periods determined by the statewide grantee.

Subd. 4. [DISTRIBUTION FORMULA.] The statewide grantee shall distribute the foodshelf account money to qualifying foodshelf programs either (1) in proportion to the number of individuals served by the program during the prior period of its operation or (2) in proportion to the share of contributions to the foodshelf account

from taxpayers who reside in the geographic service area of the foodshelf. The statewide grantee shall gather data from applications or other appropriate sources to determine the proportionate amount each qualifying program is entitled to receive. The statewide grantee may increase or decrease the qualifying program's proportionate amount if it determines the increase or decrease is necessary or appropriate to meet changing needs or demands.

Subd. 5. [USE OF MONEY.] Money distributed to foodshelf programs under this section must be used to provide client services to needy individuals and families. Qualified expenditures include purchases of food or personal care items, expenditures for vouchers for those items, and expenditures for transportation of food. None of the money expended may be used to pay for other expenses, such as rent, salaries, and other administrative expenses. Recipients must retain records documenting expenditure of the money for a three-year period and comply with any additional requirements imposed by the statewide grantee.

Subd. 6. [ENFORCEMENT.] The statewide grantee may undertake any reasonable actions, including but not limited to on-site inspections and auditing of accounts and records, to ensure that recipients of money under this section comply with the requirements of the law. The statewide grantee may contract with an outside organization to audit or otherwise oversee recipients' use of the money. If ineligible expenditures are made by a recipient, the amount must be repaid to the statewide grantee and deposited in the foodshelf account.

Subd. 7. [APPROPRIATION.] (a) The money deposited in the foodshelf account is appropriated to the commissioner of jobs and training, to be awarded to a statewide grantee designated by the legislature, provided the grantee agrees to comply with the requirements in this section, to be distributed to foodshelf programs under this section and for administration of the distribution. None of the money may be retained by the commissioner for administrative expenses or other purposes.

(b) For each fiscal year, the statewide grantee may estimate the amounts that will be received during the year by the foodshelf account and may distribute the estimated receipts evenly over the fiscal year even though the contributions are not received until the second half of the year.

Sec. 2. Minnesota Statutes 1990, section 270A.03, subdivision 7, is amended to read:

Subd. 7. "Refund" means an individual income tax refund or political contribution refund, pursuant to chapter 290, or a property tax credit or refund, pursuant to chapter 290A.

For purposes of this chapter, lottery prizes, as set forth in section 349A.08, subdivision 8, shall be treated as refunds.

Sec. 3. Minnesota Statutes 1990, section 289A.12, is amended by adding a subdivision to read:

Subd. 14. [REGULATED INVESTMENT COMPANIES; REPORTING EXEMPT-INTEREST DIVIDENDS.] (a) A regulated investment company paying \$10 or more in exempt-interest dividends to an individual who is a resident of Minnesota must make a return indicating the amount of the exempt-interest dividends, the name, address, and social security number of the recipient, and any other information that the commissioner specifies. A copy of the return must be provided to the shareholder and the commissioner no later than 30 days after the close of the taxable year. The copy of the return provided to the shareholder must include a clear statement, in the form prescribed by the commissioner, that the exempt-interest dividends must be included in the computation of Minnesota taxable income. The commissioner may require regulated investment companies with 500 or more Minnesota resident shareholders to file returns on magnetic media in a format and form prescribed by the commissioner.

(b) This subdivision applies to regulated investment companies required to register under chapter 80A.

(c) For purposes of this subdivision, the following definitions apply.

(1) "Exempt-interest dividends" mean exempt-interest dividends as defined in section 852(b)(5) of the Internal Revenue Code of 1986, as amended through December 31, 1990, but does not include the portion of exempt-interest dividends that are not required to be added to federal taxable income under section 290.01, subdivision 19a, clause (1)(ii).

(2) "Regulated investment company" means regulated investment company as defined in section 851(a) of the Internal Revenue Code of 1986, as amended through December 31, 1990, or a fund of the regulated investment company as defined in section 851(h) of the Internal Revenue Code of 1986, as amended through December 31, 1990.

Sec. 4. Minnesota Statutes 1990, section 289A.18, subdivision 2, is amended to read:

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 S 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 S~~ corporations are due on or before the due date specified for filing corporate franchise tax returns.

Sec. 5. Minnesota Statutes 1990, section 289A.19, subdivision 1, is amended to read:

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.

Sec. 6. Minnesota Statutes 1990, section 289A.20, is amended by adding a subdivision to read:

Subd. 5. [~~PAYMENT OF FRANCHISE TAX ON LIFO RECAPTURE.]~~ If a corporation is subject to LIFO recapture under section 1363(d) of the Internal Revenue Code of 1986, as amended through December 31, 1990, any increase in the tax imposed by section 290.06, subdivision 1, by reason of the inclusion of the LIFO recapture amount in its income is payable in four equal installments.

The first installment must be paid on or before the due date, determined without regard to extensions, for filing the return for the first taxable year for which the corporation was subject to the LIFO recapture. The three succeeding installments must be paid on or before the due date, determined without regard to extensions, for filing the corporations's return for the three succeeding taxable years.

For purposes of computing interest on underpayments, the last three installments must not be considered underpayments until after the payment due date specified in this subdivision.

Sec. 7. Minnesota Statutes 1990, section 289A.30, subdivision 1, is amended to read:

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 a 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.

Sec. 8. Minnesota Statutes 1990, section 289A.38, subdivision 9, is amended to read:

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. If the commissioner has completed a field audit of the taxpayer, and, but for this subdivision, the commissioner's time period to adjust the tax has expired, the additional tax due or refund is limited to only those changes that are required to be made to the return which relate to the changes made on the federal return. This subdivision does not apply to sales and use tax.

For purposes of this subdivision and section 289A.42, subdivision 2, a "field audit" is the physical presence of examiners in the taxpayer's or taxpayer's representative's office conducting an examination of the taxpayer with the intention of issuing an assessment or notice of change in tax or which results in the issuing of an assessment or notice of change in tax. The examination may include inspecting a taxpayer's place of business, tangible personal property, equipment, computer systems and facilities, pertinent books, records, papers, vouchers, computer printouts, accounts, and documents.

Sec. 9. Minnesota Statutes 1990, section 289A.38, subdivision 10, is amended to read:

Subd. 10. [INCORRECT DETERMINATION OF FEDERAL ADJUSTED GROSS INCOME.] Notwithstanding any other provision of

this chapter, if a taxpayer whose gross net income is determined under section 290.01, ~~subdivisions 20 and 20e~~ subdivision 19, 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.

Sec. 10. Minnesota Statutes 1990, section 289A.42, subdivision 2, is amended to read:

Subd. 2. [FEDERAL EXTENSIONS.] ~~When 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.38, 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. If no change is made by the federal authority, and, but for this subdivision, the commissioner's time period to adjust the tax has expired, and if the commissioner has completed a field audit of the taxpayer, no additional changes resulting in additional tax due or a refund may be made. For purposes of this subdivision, "field audit" has the meaning given it in section 289A.38, subdivision 9.

Sec. 11. Minnesota Statutes 1990, section 289A.50, subdivision 1, is amended to read:

Subdivision 1. [GENERAL RIGHT TO REFUND.] (a) Subject to the requirements of this section and section 289A.40, 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, or dependent care exceeds the tax against which the credit is allowable, the amount of the excess is considered an overpayment. The refund allowed by section 290.06, subdivision 23, is also 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.

Sec. 12. Minnesota Statutes 1990, section 289A.60, subdivision 2, is amended to read:

Subd. 2. [PENALTY FOR FAILURE TO MAKE AND FILE RETURN.] If a taxpayer fails to make and file a return other than an income tax return of an individual, within the time prescribed or an extension, a penalty is added to the tax. The penalty is three percent of the amount of tax not paid on or before the date prescribed for payment of the tax including any extensions if the failure is for not more than 30 days, with an additional five percent of the amount of tax remaining unpaid during each additional 30 days or fraction of 30 days, during which the failure continues, not exceeding 23 percent in the aggregate.

If a taxpayer fails to file a return, other than an income tax return of an individual, within 60 days of the date prescribed for filing of the return (determined with regard to any extension of time for filing), the addition to tax under this subdivision must not be less than the lesser of: (1) \$200; or (2) the greater of (a) 25 percent of the amount required to be shown as tax on the return without reduction for any payments made or refundable credits allowable against the tax, or (b) \$50.

If a taxpayer fails to file an individual income tax return within six months after the date prescribed for filing of the return, a penalty of ten percent of the amount of tax not paid by the end of that six-month period is added to the tax.

Sec. 13. Minnesota Statutes 1990, section 289A.60, subdivision 12, is amended to read:

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 rent constituting 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. An overstatement of rent constituting property taxes is presumed to be knowingly made if it exceeds by ten percent or more the actual rent constituting property taxes.

(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.

Sec. 14. Minnesota Statutes 1990, section 290.01, subdivision 19, is amended to read:

Subd. 19. [NET INCOME.] The term "net income" means the federal taxable income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through the date named in this subdivision, incorporating any elections made by the taxpayer in accordance with the Internal Revenue Code in determining federal taxable income for federal income tax purposes, and with the modifications provided in subdivisions 19a to 19f.

In the case of a regulated investment company or a fund thereof, as defined in section 851(a) or 851(h) of the Internal Revenue Code, federal taxable income means investment company taxable income as defined in section 852(b)(2) of the Internal Revenue Code, except that:

(1) the exclusion of net capital gain provided in section 852(b)(2)(A) of the Internal Revenue Code does not apply; and

(2) the deduction for dividends paid under section 852(b)(2)(D) of the Internal Revenue Code must be applied by allowing a deduction for capital gain dividends and exempt-interest dividends as defined in sections 852(b)(3)(C) and 852(b)(5) of the Internal Revenue Code.

The net income of a real estate investment trust as defined and limited by section 856(a), (b), and (c) of the Internal Revenue Code means the real estate investment trust taxable income as defined in section 857(b)(2) of the Internal Revenue Code.

The Internal Revenue Code of 1986, as amended through December 31, 1986, shall be in effect for taxable years beginning after December 31, 1986. The provisions of sections 10104, 10202, 10203, 10204, 10206, 10212, 10221, 10222, 10223, 10226, 10227, 10228, 10611, 10631, 10632, and 10711 of the Omnibus Budget Reconciliation Act of 1987, Public Law Number 100-203, the provisions of sections 1001, 1002, 1003, 1004, 1005, 1006, 1008, 1009, 1010, 1011, 1011A, 1011B, 1012, 1013, 1014, 1015, 1018, 2004, 3041, 4009, 6007, 6026, 6032, 6137, 6277, and 6282 of the Technical and Miscellaneous Revenue Act of 1988, Public Law Number 100-647, and the provisions of sections 7811, 7816, and 7831 of the Omnibus Budget Reconciliation Act of 1989, Public Law Number 101-239, shall be effective at the time they become effective for federal income tax purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1987, shall be in effect for taxable years beginning after December 31, 1987. The provisions of sections 4001, 4002, 4011, 5021, 5041, 5053, 5075, 6003, 6008, 6011, 6030, 6031, 6033, 6057, 6064, 6066, 6079, 6130, 6176, 6180, 6182, 6280, and 6281 of the Technical and Miscellaneous Revenue Act of 1988, Public Law

Number 100-647, and the provisions of sections 7815 and 7821 of the Omnibus Budget Reconciliation Act of 1989, Public Law Number 101-239, and the provisions of section 11702 of the Revenue Reconciliation Act of 1990, Public Law Number 101-508, shall become effective at the time they become effective for federal tax purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1988, shall be in effect for taxable years beginning after December 31, 1988. The provisions of sections 7101, 7102, 7104, 7105, 7201, 7202, 7203, 7204, 7205, 7206, 7207, 7210, 7211, 7301, 7302, 7303, 7304, 7601, 7621, 7622, 7641, 7642, 7645, 7647, 7651, and 7652 of the Omnibus Budget Reconciliation Act of 1989, Public Law Number 101-239, and the provision of section 1401 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Public Law Number 101-73, and the provisions of sections 11701 and 11703 of the Revenue Reconciliation Act of 1990, Public Law Number 101-508, shall become effective at the time they become effective for federal tax purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1989, shall be in effect for taxable years beginning after December 31, 1989. The provisions of sections 11321, 11322, 11324, 11325, 11403, 11404, 11410, and 11521 of the Revenue Reconciliation Act of 1990, Public Law Number 101-508, shall become effective at the time they become effective for federal purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1990, shall be in effect for taxable years beginning after December 31, 1990.

Except as otherwise provided, references to the Internal Revenue Code in subdivisions 19a to 19g mean the code in effect for purposes of determining net income for the applicable year.

Sec. 15. Minnesota Statutes 1990, section 290.01, subdivision 19a, is amended to read:

Subd. 19a. [ADDITIONS TO FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be added to federal taxable income:

(1)(i) interest income on obligations of any state other than Minnesota or a political or governmental subdivision, municipality, or governmental agency or instrumentality of any state other than Minnesota exempt from federal income taxes under the Internal Revenue Code or any other federal statute, and

(ii) exempt-interest dividends as defined in section 852(b)(5) of the Internal Revenue Code, except the portion of the exempt-interest dividends derived from interest income on obligations of the state of

Minnesota or its political or governmental subdivisions, municipalities, governmental agencies or instrumentalities, but only if the portion of the exempt-interest dividends from such Minnesota sources paid to all shareholders represents 95 percent or more of the exempt-interest dividends that are paid by the regulated investment company as defined in section 851(a) of the Internal Revenue Code, or the fund of the regulated investment company as defined in section 851(h) of the Internal Revenue Code, making the payment; and

(2) the amount of income taxes paid or accrued within the taxable year under this chapter and income taxes paid to any other state or to any province or territory of Canada, to the extent allowed as a deduction under section 63(d) of the Internal Revenue Code, but the addition may not be more than the amount by which the itemized deductions as allowed under section 63(d) of the Internal Revenue Code exceeds the amount of the standard deduction as defined in section 63(c) of the Internal Revenue Code. For the purpose of this paragraph, the disallowance of itemized deductions under section 68 of the Internal Revenue Code of 1986, income taxes is the last itemized deductions disallowed; and

(3) the capital gain amount of a lump sum distribution to which the special tax under section 1122(h)(3)(B)(ii) of the Tax Reform Act of 1986, Public Law Number 99-514, applies; and

(4) the amount of income taxes paid or accrued within the taxable year under this chapter and income taxes paid to any other state or any province or territory of Canada, to the extent allowed as a deduction in determining federal adjusted gross income. For the purpose of this paragraph, income taxes do not include the taxes imposed by sections 290.0922, subdivision 1, paragraph (b), 290.9727, 290.9728, and 290.9729.

Sec. 16. Minnesota Statutes 1990, section 290.01, subdivision 19d, is amended to read:

Subd. 19d. [CORPORATIONS; MODIFICATIONS DECREASING FEDERAL TAXABLE INCOME.] For corporations, there shall be subtracted from federal taxable income after the increases provided in subdivision 19c:

(1) the amount of foreign dividend gross-up added to gross income for federal income tax purposes under section 78 of the Internal Revenue Code;

(2) the decrease in salary expense for federal income tax purposes due to claiming the federal jobs credit under section 51 of the Internal Revenue Code;

(3) any dividend (not including any distribution in liquidation) paid within the taxable year by a national or state bank to the United States, or to any instrumentality of the United States exempt from federal income taxes, on the preferred stock of the bank owned by the United States or the instrumentality;

(4) amounts disallowed for intangible drilling costs due to differences between this chapter and the Internal Revenue Code in taxable years beginning before January 1, 1987, as follows:

(i) to the extent the disallowed costs are represented by physical property, an amount equal to the allowance for depreciation under Minnesota Statutes 1986, section 290.09, subdivision 7, subject to the modifications contained in subdivision 19e; and

(ii) to the extent the disallowed costs are not represented by physical property, an amount equal to the allowance for cost depletion under Minnesota Statutes 1986, section 290.09, subdivision 8;

(5) the deduction for capital losses pursuant to sections 1211 and 1212 of the Internal Revenue Code, except that:

(i) for capital losses incurred in taxable years beginning after December 31, 1986, capital loss carrybacks shall not be allowed;

(ii) for capital losses incurred in taxable years beginning after December 31, 1986, a capital loss carryover to each of the 15 taxable years succeeding the loss year shall be allowed;

(iii) for capital losses incurred in taxable years beginning before January 1, 1987, a capital loss carryback to each of the three taxable years preceding the loss year, subject to the provisions of Minnesota Statutes 1986, section 290.16, shall be allowed; and

(iv) for capital losses incurred in taxable years beginning before January 1, 1987, a capital loss carryover to each of the five taxable years succeeding the loss year to the extent such loss was not used in a prior taxable year and subject to the provisions of Minnesota Statutes 1986, section 290.16, shall be allowed;

(6) an amount for interest and expenses relating to income not taxable for federal income tax purposes, if (i) the income is taxable under this chapter and (ii) the interest and expenses were disallowed as deductions under the provisions of section 171(a)(2), 265 or 291 of the Internal Revenue Code in computing federal taxable income;

(7) in the case of mines, oil and gas wells, other natural deposits, and timber for which percentage depletion was disallowed pursuant to subdivision 19c, clause (11), a reasonable allowance for depletion based on actual cost. In the case of leases the deduction must be

apportioned between the lessor and lessee in accordance with rules prescribed by the commissioner. In the case of property held in trust, the allowable deduction must be apportioned between the income beneficiaries and the trustee in accordance with the pertinent provisions of the trust, or if there is no provision in the instrument, on the basis of the trust's income allocable to each;

(8) for certified pollution control facilities placed in service in a taxable year beginning before December 31, 1986, and for which amortization deductions were elected under section 169 of the Internal Revenue Code of 1954, as amended through December 31, 1985, an amount equal to the allowance for depreciation under Minnesota Statutes 1986, section 290.09, subdivision 7;

(9) the amount included in federal taxable income attributable to the credits provided in Minnesota Statutes 1986, section 273.1314, subdivision 9, or Minnesota Statutes, section 469.171, subdivision 6;

(10) amounts included in federal taxable income that are due to refunds of income, excise, or franchise taxes based on net income or related minimum taxes paid by the corporation to Minnesota, another state, a political subdivision of another state, the District of Columbia, or a foreign country or possession of the United States to the extent that the taxes were added to federal taxable income under section 290.01, subdivision 19c, clause (1), in a prior taxable year;

(11) the following percentage of royalties, fees, or other like income accrued or received from a foreign operating corporation or a foreign corporation which is part of the same unitary business as the receiving corporation:

Taxable Year	
Beginning After	Percentage
December 31, 1988.....	50 percent
December 31, 1990.....	80 percent; and

(12) income or gains from the business of mining as defined in section 290.05, subdivision 1, clause (a), that are not subject to Minnesota franchise tax; and

(13) the amount of handicap access expenditures in the taxable year which are not allowed to be deducted or capitalized under section 44(d)(7) of the Internal Revenue Code of 1986.

Sec. 17. Minnesota Statutes 1990, section 290.06, subdivision 2c, is amended to read:

Subd. 2c. [SCHEDULES OF RATES FOR INDIVIDUALS, ESTATES, AND TRUSTS.] (a) The income taxes imposed by this

chapter upon married individuals filing joint returns and surviving spouses as defined in section 2(a) of the Internal Revenue Code of 1986 as amended through December 31, 1989, must be computed by applying to their taxable net income the following schedule of rates:

if taxable income is:	the tax is:
not over \$19,000	6 percent
over \$19,000	\$1,140 plus 8 percent of the excess over \$19,000

plus an amount computed using the following schedule of rates:

if taxable income is:	the tax is:
over \$75,500, but not over \$165,000	0.5 percent of the excess over \$75,500
over \$165,000	\$447.50

- (1) On the first \$19,910, 6 percent;
- (2) All over \$19,910, but not over \$79,120, 8 percent;
- (3) All over \$79,120, but not over \$100,000, 8.5 percent;
- (4) All over \$100,000, 9 percent.

Married individuals filing separate returns, estates, and trusts must compute their income tax by applying the above rates to their taxable income, except that the income brackets will be one-half of the above amounts. In the case of married individuals filing separately, the additional 0.5 percent tax provided in this subdivision shall be applied to taxable income over \$37,750, but not over \$127,500.

(b) The income taxes imposed by this chapter upon unmarried individuals must be computed by applying to taxable net income the following schedule of rates:

if taxable income is:	the tax is:
not over \$13,000	6 percent
over \$13,000	\$780 plus 8 percent of the excess over \$13,000

plus an amount computed using the following schedule of rates:

if taxable income is:	the tax is:
over \$42,700, but not over \$93,000	0.5 percent of the excess over \$42,700
over \$93,000	\$251.50

- (1) On the first \$13,620, 6 percent;

(2) On all over \$13,620, but not over \$44,750, 8 percent;

(3) On all over \$44,750, but not over \$56,560, 8.5 percent;

(4) On all over \$56,560, 9 percent.

(c) The income taxes imposed by this chapter upon unmarried individuals qualifying as a head of household as defined in section 2(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989, must be computed by applying to taxable net income the following schedule of rates:

if taxable income is:	the tax is:
not over \$16,000	6 percent
over \$16,000	\$960 plus 8 percent of the excess over \$16,000

plus an amount computed using the following schedule of rates:

if taxable income is:	the tax is:
over \$64,300, but not over \$135,000	0.5 percent of the excess over \$64,300
over \$135,000	\$353.50

(1) On the first \$16,770, 6 percent;

(2) On all over \$16,770, but not over \$67,390, 8 percent;

(3) On all over \$67,390, but not over \$85,150, 8.5 percent;

(4) On all over \$85,170, 9 percent.

(d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year is less than an amount determined by the commissioner must be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than \$100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to \$1.

(e) An individual who is not a Minnesota resident for the entire year must compute the individual's Minnesota income tax as provided in this subdivision. After the application of the nonrefundable credits provided in this chapter, the tax liability must then be multiplied by a fraction in which:

(1) The numerator is the individual's Minnesota source federal

adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, as amended through December 31, 1989, less the deduction allowed by section 217 of the Internal Revenue Code of 1986, as amended through December 31, 1990, after applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

(2) the denominator is the individual's federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, as amended through December 31, ~~1989~~ 1990, increased by the addition required for interest income from non-Minnesota state and municipal bonds under section 290.01, subdivision 19a, clause (1).

(f) For taxable years 1991 and 1992, the tax determined under paragraphs (a) through (c) is increased by four percent of

(1) the reduction in itemized deductions under section 68 of the Internal Revenue Code of 1986, as amended through December 31, 1990, and

(2) the reduction in the taxpayer's personal and dependent exemption amounts under section 151(d) of the Internal Revenue Code of 1986, as amended through December 31, 1991.

Sec. 18. Minnesota Statutes 1990, section 290.06, subdivision 2d, is amended to read:

Subd. 2d. [INFLATION ADJUSTMENT OF BRACKETS.] (a) For taxable years beginning after December 31, ~~1990~~ 1991, the minimum and maximum dollar amounts for each rate bracket for which a tax is imposed in subdivision 2c shall be adjusted for inflation by the percentage determined under paragraph (b). For the purpose of making the adjustment as provided in this subdivision all of the rate brackets provided in subdivision 2c shall be the rate brackets as they existed for taxable years beginning after December 31, ~~1987~~ 1990, and before January 1, ~~1991~~ 1992. The rate applicable to any rate bracket must not be changed. The dollar amounts setting forth the tax shall be adjusted to reflect the changes in the rate brackets. The rate brackets as adjusted must be rounded to the nearest \$10 amount. If the rate bracket ends in \$5, it must be rounded up to the nearest \$10 amount.

(b) The commissioner shall adjust the rate brackets and by the percentage determined pursuant to the provisions of section 1(f) of the Internal Revenue Code of 1986, as amended through December 31, ~~1989~~ 1990, except that in section 1(f)(3)(B) the word "~~1989~~" "1990" shall be substituted for the word "1987." For 1991, the commissioner shall then determine the percent change from the 12 months ending on August 31, ~~1989~~ 1990, to the 12 months ending on August 31, ~~1990~~ 1991, and in each subsequent year, from the 12

months ending on August 31, ~~1989~~ 1990, to the 12 months ending on August 31 of the year preceding the taxable year. The determination of the commissioner pursuant to this subdivision shall not be considered a "rule" and shall not be subject to the administrative procedure act contained in chapter 14.

No later than December 15 of each year, the commissioner shall announce the specific percentage that will be used to adjust the tax rate brackets.

Sec. 19. Minnesota Statutes 1990, section 290.06, subdivision 22, is amended to read:

Subd. 22. [CREDIT FOR TAXES PAID TO ANOTHER STATE.] (a) A taxpayer who is liable for taxes on or measured by net income to another state or province or territory of Canada, as provided in paragraphs (b) through (f), upon income allocated or apportioned to Minnesota, is entitled to a credit for the tax paid to another state or province or territory of Canada if the tax is actually paid in the taxable year or a subsequent taxable year. A taxpayer who is a resident of this state pursuant to section 290.01, subdivision 7, clause (2), and who is subject to income tax as a resident in the state of the individual's domicile is not allowed this credit unless the state of domicile does not allow a similar credit.

(b) For an individual, estate, or trust, the credit is determined by multiplying the tax payable under this chapter by the ratio derived by dividing the income subject to tax in the other state or province or territory of Canada that is also subject to tax in Minnesota while a resident of Minnesota by the taxpayer's federal adjusted gross income, as defined in section 62 of the Internal Revenue Code of 1986, as amended through December 31, 1989, modified by the addition required by section 290.01, subdivision 19a, clause (1), and the subtraction allowed by section 290.01, subdivision 19b, clause (1), to the extent the income is allocated or assigned to Minnesota under sections 290.081 and 290.17.

(c) If the taxpayer is an athletic team that apportions all of its income under section 290.17, subdivision 5, paragraph (c), the credit is determined by multiplying the tax payable under this chapter by the ratio derived from dividing the total net income subject to tax in the other state or province or territory of Canada by the taxpayer's Minnesota taxable income.

(d) The credit determined under paragraph (b) or (c) shall not exceed the amount of tax so paid to the other state or province or territory of Canada on the gross income earned within the other state or province or territory of Canada subject to tax under this chapter, nor shall the allowance of the credit reduce the taxes paid under this chapter to an amount less than what would be assessed if such income amount was excluded from taxable net income.

(e) In the case of the tax assessed on a lump sum distribution under section 290.032, the credit allowed under paragraph (a) is the tax assessed by the other state or province or territory of Canada on the lump sum distribution that is also subject to tax under section 290.032, and shall not exceed the tax assessed under section 290.032. To the extent the total lump sum distribution defined in section 290.032, subdivision 1, includes lump sum distributions received in prior years or is all or in part an annuity contract, the reduction to the tax on the lump sum distribution allowed under section 290.032, subdivision 2, includes tax paid to another state that is properly apportioned to that distribution.

(f) If a Minnesota resident reported an item of income to Minnesota and is assessed tax in such other state or province or territory of Canada on that same income after the Minnesota statute of limitations has expired, the taxpayer shall receive a credit for that year under paragraph (a), notwithstanding any statute of limitations to the contrary. The claim for the credit must be submitted within one year from the date the taxes were paid to the other state or province or territory of Canada. The taxpayer must submit sufficient proof to show entitlement to a credit.

(g) For the purposes of this subdivision, a resident shareholder of a corporation having a valid election in effect under section 1362 of the Internal Revenue Code of 1986, as amended through December 31, 1990, must be considered to have paid a tax imposed on the shareholder in an amount equal to the shareholder's pro rata share of any net income tax paid by the S corporation to a state that does not measure the income of the shareholder of the S corporation by reference to the income of the S corporation. For the purposes of the preceding sentence, the term "net income tax" means any tax imposed on or measured by a corporation's net income.

Sec. 20. Minnesota Statutes 1990, section 290.06, subdivision 23, is amended to read:

Subd. 23. [CONTRIBUTIONS TO POLITICAL PARTIES AND CANDIDATES.] (a) A taxpayer may claim a credit refund equal to the amount of the taxpayer's contributions made in the calendar year to candidates and to any political party. The maximum credit refund for an individual must not exceed \$50 and, for a married couple filing jointly, must not exceed \$100. A credit for refund of a contribution is allowed only if the taxpayer files a form required by the commissioner and attaches to the form a copy of an official credit refund receipt form issued by the candidate or party. A claim must be filed with the commissioner not sooner than September 1 of the calendar year in which the contribution is made and no later than April 15 of the calendar year following the calendar year in which the contribution is made. A taxpayer may file only one claim per calendar year. Amounts paid by the commissioner after June 15 of the calendar year following the calendar year in which the contri-

bution is made must include interest at the rate specified in section 270.76.

(b) No credit refund is allowed under this subdivision for a contribution to any candidate who has not signed an agreement to limit campaign expenditures as provided in section 10A.322, or 10A.43, and for whom voluntary spending limits are specified in section 10A.25 or 10A.43. This subdivision does not limit the campaign expenditure of a candidate who does not sign an agreement but accepts a contribution for which the contributor improperly claims a credit refund.

(c) For purposes of this subdivision, "political party" means a major political party as defined in section 200.02, subdivision 7, or a minor political party qualifying for inclusion on the income tax or property tax refund form under section 10A.31, subdivision 3a. A "major or minor party" includes the aggregate of the party organization within each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts. "Candidate" means a candidate as defined in section 10A.01, subdivision 5, but does not include a candidate for judicial office. Beginning January 1, 1991, "candidate" also means a candidate for the United States Senate or United States House of Representatives from Minnesota. "Contribution" means a gift of money.

~~(d) The commissioner shall include a copy of the credit form with the instructions for the long and short individual taxation forms. The commissioner shall make copies of the form available to the public and candidates upon request.~~

(e) The following data collected or maintained by the commissioner under this subdivision are private: the identities of individuals claiming a credit refund, the identities of candidates to whom those individuals have made contributions, and the amount of each contribution.

(f) The amount necessary to pay claims for the credit refund provided in this section is appropriated from the general fund to the commissioner of revenue.

Sec. 21. Minnesota Statutes 1990, section 290.06, is amended by adding a subdivision to read:

Subd. 24. [MILITARY PAY CREDIT.] An individual is allowed a credit against the tax imposed under subdivision 2c equal to ten percent of the amount of the taxpayer's compensation for service in the armed forces of the United States or the United Nations. The maximum amount of this credit is the lesser of \$100 or the taxpayer's liability for tax under subdivision 2c. Compensation does not include a pension, retired pay, or similar income.

Sec. 22. Minnesota Statutes 1990, section 290.067, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT OF CREDIT.] A taxpayer may take as a credit against the tax due from the taxpayer and a spouse, if any, under this chapter an amount equal to the dependent care credit for which the taxpayer is eligible pursuant to the provisions of section 21 of the Internal Revenue Code subject to the limitations provided in subdivision 2 except that in determining whether the child qualified as a dependent, income received as an aid to families with dependent children grant or allowance to or on behalf of the child must not be taken into account in determining whether the child received more than half of the child's support from the taxpayer, and the provisions of section 32(b)(1)(D) of the Internal Revenue Code of 1986, as amended through December 31, 1990 do not apply.

If a child who is six years of age or less at the close of the taxable year is cared for at a licensed family day care home operated by the child's parent, the taxpayer is deemed to have paid employment-related expenses. If the child is 16 months old or younger at the close of the taxable year, the amount of expenses deemed to have been paid equals the maximum limit for one qualified individual under section 21(c) and (d) of the Internal Revenue Code. If the child is older than 16 months of age but not older than six years of age at the close of the taxable year, the amount of expenses deemed to have been paid equals the amount the licensee would charge for the care of a child of the same age for the same number of hours of care. These deemed amounts apply regardless of whether any employment-related expenses have been paid.

If the taxpayer is not required and does not file a federal individual income tax return for the tax year, no credit is allowed for any amount paid to any person unless:

(1) the name, address, and taxpayer identification number of the person are included on the return claiming the credit; or

(2) if the person is an organization described in section 501(c)(3) of the Internal Revenue Code and exempt from tax under section 501(a) of the Internal Revenue Code, the name and address of the person are included on the return claiming the credit.

In the case of a failure to provide the information required under the preceding sentence, the preceding sentence does not apply if it is shown that the taxpayer exercised due diligence in attempting to provide the information required.

In the case of a nonresident, part-year resident, or a person whose tax is computed under section 290.06, subdivision 2c, paragraph (f) who has earned income not subject to tax under this chapter, the credit determined under section 21 of the Internal Revenue Code

must be allocated based on the ratio by which the earned income of the claimant and the claimant's spouse from Minnesota sources bears to the total earned income of the claimant and the claimant's spouse.

Sec. 23. Minnesota Statutes 1990, section 290.067, subdivision 2a, is amended to read:

Subd. 2a. [INCOME.] (a) For purposes of this section, "income" means the sum of the following:

(1) ~~the greater of federal adjusted gross income as defined in section 62 of the Internal Revenue Code or zero;~~ and

(2) the sum of the following amounts to the extent not included in clause (1):

(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 ~~(l)~~ (m) of the Internal Revenue Code and the amount of passive activity loss carryover allowed under section 469(b) of the Internal Revenue Code;

(iii) an amount equal to the total of any discharge of qualified farm indebtedness of a solvent individual excluded from gross income under section 108(g) of the Internal Revenue Code;

(iv) cash public assistance and relief;

(v) any pension or annuity (including railroad retirement benefits, all payments received under the federal Social Security Act, supplemental security income, and veterans benefits), which was not exclusively funded by the claimant or spouse, or which was funded exclusively by the claimant or spouse and which funding payments were excluded from federal adjusted gross income in the years when the payments were made;

(vi) interest received from the federal or a state government or any instrumentality or political subdivision thereof;

(vii) workers' compensation;

(viii) nontaxable strike benefits;

(ix) the gross amounts of payments received in the nature of disability income or sick pay as a result of accident, sickness, or other disability, whether funded through insurance or otherwise;

(x) ~~the ordinary income portion of a lump sum distribution under section 402(e)(3) of the Internal Revenue Code; and~~

(xi) contributions made by the claimant to an individual retirement account, including a qualified voluntary employee contribution; simplified employee pension plan; self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal Revenue Code; and

(xii) nontaxable scholarship or fellowship grants.

In the case of an individual who files an income tax return on a fiscal year basis, the term "federal adjusted gross income" means federal adjusted gross income reflected in the fiscal year ending in the next calendar year. Federal adjusted gross income may 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.

(b) "Income" does not include:

(1) amounts excluded pursuant to the Internal Revenue Code, sections 101(a), 102, and 121;

(2) amounts of any pension or annuity that were exclusively funded by the claimant or spouse if the 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 chapter 290A; and

(e) child support payments received under a temporary or final decree of dissolution or legal separation.

Sec. 24. Minnesota Statutes 1990, section 290.0802, subdivision 1, is amended to read:

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

(a) "Adjusted gross income" means federal adjusted gross income as used in section 22(d) of the Internal Revenue Code for the taxable year, plus the ordinary income portion of a lump sum distribution as defined in section 402(e)(3) of the Internal Revenue Code, and less any pension, annuity, or disability benefits paid under the Railroad Retirement Act of 1974 that are included in federal gross income but

are not subject to state taxation other than the subtraction allowed under section 290.01, subdivision 19b, clause (4).

(b) "Disability income" means disability income as defined in section 22(c)(2)(B)(iii) of the Internal Revenue Code.

(c) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, 1989.

(d) "Nontaxable retirement and disability benefits" means the amount of pension, annuity, or disability benefits that would be included in the reduction under section 22(c)(3) of the Internal Revenue Code and pension, annuity, or disability benefits ~~paid under the Railroad Retirement Act of 1974 that~~ **are included in federal gross income but are not subject to state taxation other than the subtraction allowed under section 290.01, subdivision 19b, clause (4).**

(e) "Qualified individual" means a qualified individual as defined in section 22(b) of the Internal Revenue Code.

Sec. 25. Minnesota Statutes 1990, section 290.0802, subdivision 2, is amended to read:

Subd. 2. [SUBTRACTION.] (a) A qualified individual is allowed a subtraction from federal taxable income for the individual's subtraction base amount. The excess of the subtraction base amount over the taxable net income computed without regard to the subtraction for the elderly or disabled under section 290.01, subdivision 19b, clause (5), may be used to reduce the amount of a lump sum distribution subject to tax under section 290.032.

(b)(1) The initial subtraction base amount equals

(i) ~~\$10,000~~ \$12,000 for a married taxpayer filing a joint return if a spouse is a qualified individual,

(ii) ~~\$8,000~~ \$9,600 for a single taxpayer, and

(iii) ~~\$5,000~~ \$6,000 for a married taxpayer filing a separate federal return.

(2) The qualified individual's initial subtraction base amount, then, must be reduced by the sum of nontaxable retirement and disability benefits and one-half of the amount of adjusted gross income in excess of the following thresholds:

(i) ~~\$15,000~~ \$18,000 for a married taxpayer filing a joint return if both spouses are qualified individuals,

(ii) ~~\$12,000~~ \$14,500 for a single taxpayer or for a married couple filing a joint return if only one spouse is a qualified individual, and

(iii) ~~\$7,500~~ \$9,000 for a married taxpayer filing a separate federal return.

(3) In the case of a qualified individual who is under the age of 65, the maximum amount of the subtraction base may not exceed the taxpayer's disability income.

(4) The resulting amount is the subtraction base amount.

Sec. 26. Minnesota Statutes 1990, section 290.091, subdivision 1, is amended to read:

Subdivision 1. [IMPOSITION OF TAX.] In addition to all other taxes imposed by this chapter a tax is imposed on individuals, estates, and trusts equal to the excess (if any) of

(a) an amount equal to ~~six~~ seven percent of alternative minimum taxable income after subtracting the exemption amount, over

(b) the regular tax for the taxable year.

Sec. 27. Minnesota Statutes 1990, section 290.091, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For purposes of the tax imposed by this section, the following terms have the meanings given:

(a) "Alternative minimum taxable income" means the sum of the following for the taxable year:

(1) the taxpayer's federal alternative minimum taxable income as defined in section 55(b)(2) of the Internal Revenue Code;

(2) the taxpayer's itemized deductions allowed in computing federal alternative minimum taxable income; but excluding the Minnesota charitable contribution deduction and non-Minnesota charitable deductions to the extent they are included in federal alternative minimum taxable income under section 57(a)(6) of the Internal Revenue Code;

(3) to the extent not included in federal alternative minimum taxable income, the amount of interest income as provided by section 290.01, subdivision 19a, clause (1); less the sum of

(i) interest income as defined in section 290.01, subdivision 19b, clause (1);

(ii) an overpayment of state income tax as provided by section 290.01, subdivision 19b, clause (2); and

(iii) the amount of investment interest paid or accrued within the taxable year on indebtedness to the extent that the amount does not exceed net investment income, as defined in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted in computing federal adjusted gross income.

In the case of an estate or trust, alternative minimum taxable income must be computed as provided in section 59(c) of the Internal Revenue Code.

(b) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, 1989.

(c) "Investment interest" means investment interest as defined in section 163(d)(3) of the Internal Revenue Code.

(d) "Tentative minimum tax" equals six percent of alternative minimum taxable income after subtracting the exemption amount determined under subdivision 3.

(e) "Regular tax" means the tax that would be imposed under this chapter (without regard to this section and section 290.032), reduced by the sum of the nonrefundable credits allowed under this chapter.

(f) "Net minimum tax" means the minimum tax imposed by this section.

(g) "Minnesota charitable contribution deduction" means a charitable contribution deduction under section 170 of the Internal Revenue Code to or for the use of an entity described in section 290.21, subdivision 3, clauses (a) to (e).

Sec. 28. Minnesota Statutes 1990, section 290.0922, is amended by adding a subdivision to read:

Subd. 4. [PARTNER'S PRO RATA SHARE.] For the purposes of this section, a partner's pro rata share of a partnership's property, payroll, and sales or receipts is not included in the property, payroll, and sales or receipts of the partner.

Sec. 29. Minnesota Statutes 1990, section 290.17, subdivision 1, is amended to read:

Subdivision 1. [SCOPE OF ALLOCATION RULES.] (a) The income of resident individuals is not subject to allocation outside this state. The allocation rules apply to nonresident individuals, estates, trusts, nonresident partners of partnerships, nonresident sharehold-

ers of corporations having a valid election in effect under section 1362 of the Internal Revenue Code of 1986, as amended through December 31, 1989, and all corporations not having such an election in effect. If a partnership or corporation would not otherwise be subject to the allocation rules, but conducts a trade or business that is part of a unitary business involving another legal entity that is subject to the allocation rules, the partnership or corporation is subject to the allocation rules.

(b) Expenses, losses, and other deductions (referred to collectively in this paragraph as "deductions") must be allocated along with the item or class of gross income to which they are definitely related for purposes of assignment under this section or apportionment under section 290.191, 290.20, 290.35, or 290.36. Deductions not definitely related to any item or class of gross income are assigned to the taxpayer's domicile.

(c) The application of the allocation rules as they apply to income, gains, losses, deductions, or credits of (1) a partner's distributable share from a partnership under section 290.31, subdivision 4; (2) a shareholder's distributable share from an S corporation provided in section 1366 of the Internal Revenue Code of 1986, as amended through December 31, 1989; (3) a beneficiary's distributable share from an estate or trust as provided in section 290.23, subdivision 9; or (4) the shareholders of regulated investment companies, real estate investment trusts, and real estate mortgage investment conduits as provided in subchapter M of the Internal Revenue Code of 1986, as amended through December 31, 1989, shall be determined by the resident status of the partner, beneficiary, or shareholder at the end of the taxable year of the partnership, estate or trust, or corporation. In the case of an individual who is a resident for only part of a taxable year, the individual's income, gains, losses, and deductions from the distributive share of a partnership, S corporation, trust, or estate are not subject to allocation outside this state to the extent of the distributive share multiplied by a ratio, the numerator of which is the number of days the individual was a resident of this state during the tax year of the partnership, S corporation, trust, or estate, and the denominator of which is the number of days in the taxable year of the partnership, S corporation, trust, or estate.

Sec. 30. Minnesota Statutes 1990, 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, 1989, 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 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 24, 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. 31. Minnesota Statutes 1990, section 290.431, is amended to read:

290.431 [NONGAME WILDLIFE CHECKOFF AND FOOD-SHELF CHECKOFFS.]

Subdivision 1. [CHECKOFF AUTHORIZED.] Every individual who files an income tax return or property tax refund claim form may designate on their original return that \$1 or more shall be added to the tax or deducted from the refund that would otherwise be payable by or to that individual and paid either into an account to be established for the management of nongame wildlife or into the foodshelf account, or both. The commissioner of revenue shall, on the income tax return and the property tax refund claim form, notify filers of their right to designate that a portion of their tax or refund

shall be paid into either the nongame wildlife management account or the foodshelf account, or both.

Subd. 2. [DEPOSIT OF MONEY.] The sum of the amounts so designated to be paid shall be credited to the nongame wildlife management account for use by the nongame program of the section of wildlife in the department of natural resources and to the foodshelf account established under section 1.

Subd. 3. [NONGAME WILDLIFE ACCOUNT.] All interest earned on money accrued in the nongame wildlife management account shall be credited to the account by the state treasurer. The commissioner of natural resources shall submit a work program for each fiscal year and semiannual progress reports to the legislative commission on Minnesota resources in the form determined by the commission. None of the money provided in this section may be expended unless the commission has approved the work program.

Subd. 4. [STATE PLEDGE.] The state pledges and agrees with all contributors to the nongame wildlife management account to use the funds contributed solely for the management of nongame wildlife projects and further agrees that it will not impose additional conditions or restrictions that will limit or otherwise restrict the ability of the commissioner of natural resources to use the available funds for the most efficient and effective management of nongame wildlife.

The state further pledges that all money given to the foodshelf programs will be used for foodshelf programs for needy people in Minnesota.

Subd. 5. [INFORMATION ON SOURCE.] The commissioner shall annually report to the designated statewide grantee the amount of the contributions to that account designated on the tax returns of residents of each county.

Subd. 6. [LIMITATIONS ON CHECKOFFS.] (a) No more than two tax checkoffs may be included on income tax returns and property tax refund forms for any taxable year.

(b) Beginning with the third taxable year when a tax checkoff for contributions for a specific purpose is included on the tax form, if the contributions designated for a tax year equal less than \$300,000, the checkoff program for that purpose will terminate and that checkoff will no longer be included on the income tax returns and property tax refund forms for subsequent years.

Sec. 32. Minnesota Statutes 1990, section 290.92, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (1) [WAGES.] For purposes of this section, the term "wages" means the same as that term is defined in section 3401(a) and (f) of the Internal Revenue Code of 1986, as amended through December 31, 1988 1990, except wages shall not include agricultural labor as defined in section 3121(g) of the Internal Revenue Code of 1986, as amended through December 31, 1990.

(2) [PAYROLL PERIOD.] For purposes of this section the term "payroll period" means a period for which a payment of wages is ordinarily made to the employee by the employee's employer, and the term "miscellaneous payroll period" means a payroll period other than a daily, weekly, biweekly, semimonthly, monthly, quarterly, semiannual, or annual payroll period.

(3) [EMPLOYEE.] For purposes of this section the term "employee" means any resident individual performing services for an employer, either within or without, or both within and without the state of Minnesota, and every nonresident individual performing services within the state of Minnesota, the performance of which services constitute, establish, and determine the relationship between the parties as that of employer and employee. As used in the preceding sentence, the term "employee" includes an officer of a corporation, and an officer, employee, or elected official of the United States, a state, or any political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing.

(4) [EMPLOYER.] For purposes of this section the term "employer" means any person, including individuals, fiduciaries, estates, trusts, partnerships, and corporations transacting business in or deriving any income from sources within the state of Minnesota for whom an individual performs or performed any service, of whatever nature, as the employee of such person, except that if the person for whom the individual performs or performed the services does not have legal control of the payment of the wages for such services, the term "employer," except for purposes of paragraph (1), means the person having legal control of the payment of such wages. As used in the preceding sentence, the term "employer" includes any corporation, individual, estate, trust, or organization which is exempt from taxation under section 290.05 and further includes, but is not limited to, officers of corporations who have legal control, either individually or jointly with another or others, of the payment of the wages.

(5) [NUMBER OF WITHHOLDING EXEMPTIONS CLAIMED.] For purposes of this section, the term "number of withholding exemptions claimed" means the number of withholding exemptions claimed in a withholding exemption certificate in effect under subdivision 5, except that if no such certificate is in effect, the

number of withholding exemptions claimed shall be considered to be zero.

Sec. 33. Minnesota Statutes 1990, 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 for nonresident individual partners on account of based on 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) 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.

(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, 1989; 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, 1989,

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.

(e) For purposes of subdivision 6a, and sections 289A.09, subdivision 2, 289A.20, subdivision 2, paragraph (c), 289A.50, 289A.56, 289A.60, and 289A.63, a partnership is considered an employer.

(f) To the extent that income is exempt from withholding under paragraph (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 (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. 34. Minnesota Statutes 1990, section 290.92, subdivision 4c, is amended to read:

Subd. 4c. [WITHHOLDING BY SMALL BUSINESS S 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 for nonresident individual shareholders as dividends or as their share of the corporation'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) 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.

(d) For purposes of subdivision 6a, and sections 289A.09, subdivision 2, 289A.20, subdivision 2, paragraph (c), 289A.50, 289A.56, 289A.60, and 289A.63, a corporation is considered an employer.

Sec. 35. Minnesota Statutes 1990, section 290.92, subdivision 12, is amended to read:

Subd. 12. [WITHHELD AMOUNT, CREDIT AGAINST TAX.] (a) The amount deducted and withheld as tax under subdivision 2a, or 3, 4b, or 4e or section 290.923, subdivision 2, during any a 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.

(b) The amount deducted and withheld under subdivisions 4b and 4c and under section 290.923, subdivision 2, for partnership, S corporation, or royalty income must be allowed as a credit to the recipient of the income against the taxes imposed by this chapter for the tax year the income is subject to tax under this chapter.

Sec. 36. Minnesota Statutes 1990, section 290.92, subdivision 26, is amended to read:

Subd. 26. [EXTENSION OF WITHHOLDING TO CERTAIN PAYMENTS WHERE IDENTIFYING NUMBER NOT FURNISHED OR INACCURATE.] (a) If, in the case of any reportable payment, (1) the payee fails to furnish the payee's social security account number to the payor, or (2) the commissioner notifies the payor that the social security account number furnished by the payee is incorrect, then the payor shall deduct and withhold from the payment a tax equal to ~~ten~~ nine percent of the payment.

(b)(1) In the case of any failure described in clause (a)(1), clause (a) shall apply to any reportable payment made by the payor during the

period during which the social security account number has not been furnished.

(2) In any case where there is a notification described in clause (a)(2), clause (a) shall apply to any reportable payment made by the payor (i) after the close of the 30th day after the day on which the payor received the notification, and (ii) before the payee furnishes another social security account number.

(3)(i) Unless the payor elects not to have this subparagraph apply with respect to the payee, clause (a) shall also apply to any reportable payment made after the close of the period described in paragraph (1) or (2) (as the case may be) and before the 30th day after the close of the period.

(ii) If the payor elects the application of this subparagraph with respect to the payee, clause (a) shall also apply to any reportable payment made during the 30-day period described in paragraph (2).

(iii) The payor may elect a period shorter than the grace period set forth in subparagraph (i) or (ii) as the case may be.

(c) The provisions of section 3406 of the Internal Revenue Code of 1986, as amended through December 31, 1989, shall apply and shall govern when withholding shall be required and the definition of terms. The term "reportable payment" shall include only those payments for personal services. No tax shall be deducted or withheld under this subdivision with respect to any amount for which withholding is otherwise required under this section. For purposes of this section, payments which are subject to withholding under this subdivision shall be treated as if they were wages paid by an employer to an employee and amounts deducted and withheld under this subdivision shall be treated as if deducted and withheld under subdivision 2a.

(d) Whenever the commissioner notifies a payor under this subdivision that the social security account number furnished by any payee is incorrect, the commissioner shall at the same time furnish a copy of the notice to the payor, and the payor shall promptly furnish the copy to the payee. If the commissioner notifies a payor under this subdivision that the social security account number furnished by any payee is incorrect and the payee subsequently furnishes another social security account number to the payor, the payor shall promptly notify the commissioner of the other social security account number furnished.

Sec. 37. Minnesota Statutes 1990, section 290.92, subdivision 27, is amended to read:

Subd. 27. PARI-MUTUEL WINNINGS. Any holder of a class A,

B, or D license issued by the Minnesota racing commission shall deduct and withhold ~~ten~~ nine percent of the payment of winnings which are subject to withholding as Minnesota withholding tax. For purposes of this subdivision, the term "winnings which are subject to withholding" has the meaning given in section 3402(q)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1989. For purposes of the provisions of this section, a payment to any person of winnings which are subject to withholding must be treated as if the payment was a wage paid by an employer to an employee. Every individual who is to receive a payment of winnings which are subject to withholding shall furnish the license holder with a statement, made under the penalties of perjury, containing the name, address, and social security account number of the person receiving the payment and of each person entitled to any portion of such payment. The license holder is liable for the payment of the tax required to be withheld under this subdivision and subdivision 28 but is not liable to any person for the amount of the payment.

Sec. 38. Minnesota Statutes 1990, section 290A.03, subdivision 3, is amended to read:

Subd. 3. [INCOME.] (1) "Income" means the sum of the following:

(a) federal adjusted gross income as defined in the Internal Revenue Code; and

(b) the sum of the following amounts to the extent not included in clause (a):

(i) all nontaxable income;

(ii) the amount of a passive activity loss that is not disallowed as a result of section 469, paragraph (i) or ~~(1)~~ (m) of the Internal Revenue Code and the amount of passive activity loss carryover allowed under section 469(b) of the Internal Revenue Code;

(iii) an amount equal to the total of any discharge of qualified farm indebtedness of a solvent individual excluded from gross income under section 108(g) of the Internal Revenue Code;

(iv) cash public assistance and relief;

(v) any pension or annuity (including railroad retirement benefits, all payments received under the federal Social Security Act, supplemental security income, and veterans benefits), which was not exclusively funded by the claimant or spouse, or which was funded exclusively by the claimant or spouse and which funding payments were excluded from federal adjusted gross income in the years when the payments were made;

(vi) interest received from the federal or a state government or any instrumentality or political subdivision thereof;

(vii) workers' compensation;

(viii) nontaxable strike benefits;

(ix) the gross amounts of payments received in the nature of disability income or sick pay as a result of accident, sickness, or other disability, whether funded through insurance or otherwise;

(x) a lump sum distribution under section 402(e)(3) of the Internal Revenue Code;

(xi) contributions made by the claimant to an individual retirement account, including a qualified voluntary employee contribution; simplified employee pension plan; self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal Revenue Code; and

(xii) nontaxable scholarship or fellowship grants.

In the case of an individual who files an income tax return on a fiscal year basis, the term "federal adjusted gross income" shall mean federal adjusted gross income reflected in the fiscal year ending in the calendar year. Federal adjusted gross income shall not be reduced by the amount of a net operating loss carryback or carryforward or a capital loss carryback or carryforward allowed for the year.

(2) "Income" does not include

(a) amounts excluded pursuant to the Internal Revenue Code, sections 101(a), 102, and 121;

(b) amounts of any pension or annuity which was exclusively funded by the claimant or spouse and which funding payments were not excluded from federal adjusted gross income in the years when the payments were made;

(c) surplus food or other relief in kind supplied by a governmental agency;

(d) relief granted under this chapter; or

(e) child support payments received under a temporary or final decree of dissolution or legal separation.

(3) The sum of the following amounts may be subtracted from income:

(a) for the claimant's first dependent, the exemption amount multiplied by 1.4;

(b) for the claimant's second dependent, the exemption amount multiplied by 1.3;

(c) for the claimant's third dependent, the exemption amount multiplied by 1.2;

(d) for the claimant's fourth dependent, the exemption amount multiplied by 1.1;

(e) for the claimant's fifth dependent, the exemption amount; and

(f) if the claimant or claimant's spouse was disabled or attained the age of 65 prior to June 1 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, 1989, for the taxable year for which the income is reported.

Sec. 39. Minnesota Statutes 1990, section 290A.03, subdivision 7, is amended to read:

Subd. 7. [DEPENDENT.] "Dependent" means any person who is considered a dependent under sections 151 and 152 of the Internal Revenue Code of 1986, as amended through December 31, 1989. In the case of a son, stepson, daughter, or stepdaughter of the claimant, amounts received as an aid to families with dependent children grant or allowance to or on behalf of the child must not be taken into account in determining whether the child received more than half of the child's support from the claimant. ~~"Dependent" includes a parent of the claimant or spouse who lives in the claimant's homestead.~~

Sec. 40. Minnesota Statutes 1990, section 290A.05, is amended to read:

290A.05 [COMBINED HOUSEHOLD INCOME.]

If a person occupies a homestead with another person or persons not related to the person as husband and wife, excluding dependents, roomers or boarders on contract, and has property tax payable with respect to the homestead, the household income of the claimant or claimants for the purpose of computing the refund allowed by section 290A.04 shall include the total income received by the other

persons residing in the homestead. For purposes of this section, "dependent" includes a parent of the claimant or spouse who lives in the claimant's homestead and does not have an ownership interest in the homestead. If a person occupies a homestead with another person or persons not related as husband and wife or as dependents, the property tax payable or rent constituting property tax shall be reduced as follows.

If the other person or persons are residing at the homestead under rental or lease agreement, the amount of property tax payable or rent constituting property tax shall be that portion not covered by the rental agreement.

Sec. 41. Minnesota Statutes 1990, section 290A.091, is amended to read:

290A.091 [CLAIMS OF TENANTS IN LEASEHOLD COOPERATIVES.]

The cooperative manager of a leasehold cooperative shall furnish a statement to each tenant by March 31 of the year in which the property tax is payable showing each unit's share of the gross property tax and each unit's share of any property tax credits. Each tenant may apply for a property tax refund under this chapter as a homeowner based on each tenant's share of property taxes. The tenant may not include any rent constituting property taxes paid on that unit. For the purposes of this section, a leasehold cooperative is formed on the day that leasehold cooperative status is granted by the appropriate county official.

Sec. 42. [FEDERAL CHANGES.]

The changes made by sections 11301, 11302, 11303, 11304, 11305, 11343, 11344, 11531, 11601, 11602, 11701, 11702, 11703, and 11704 of the Revenue Reconciliation Act of 1990, Public Law Number 101-508, which affect the definition of net income of insurance companies as defined in Minnesota Statutes, section 290.35, the definition of alternative minimum taxable income as defined in Minnesota Statutes, sections 290.091, subdivision 2, and 290.0921, subdivision 3, grantor as defined in Minnesota Statutes, section 290.25, federal gross estate as defined in Minnesota Statutes, section 291.005, gross income as defined in Minnesota Statutes, section 290.01, subdivision 20, and the definition of wages as defined in Minnesota Statutes, section 290.92, subdivision 1, shall be effective at the same time they become effective for federal tax purposes.

The waiver of estimated tax penalties provided by section 11307 of the Revenue Reconciliation Act of 1990 shall also apply to Minnesota to the extent the underpayment was created or increased by the changes made by sections 11301, 11302, 11303, and 11305.

Sec. 43. [ESTIMATED TAXES; EXCEPTIONS.]

No addition to tax, penalties, or interest may be made under Minnesota Statutes, section 289A.25, for any period before September 15, 1991, with respect to an underpayment of estimated tax, to the extent that the underpayment was created or increased by the increase in tax rates under this article.

Sec. 44. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall substitute the phrase "Internal Revenue Code of 1986, as amended through December 31, 1990" for the words "Internal Revenue Code of 1986, as amended through December 31, 1989" wherever the phrase occurs in chapters 289A, 290, 290A, and 291, except for section 290.01, subdivision 19.

Sec. 45. [REPEALER.]

Minnesota Statutes 1990, section 289A.19, subdivision 6, is repealed.

Sec. 46. [EFFECTIVE DATE.]

Sections 2, 9, 11, 13, except paragraph (e), 33 to 38 are effective July 1, 1991. Sections 13, paragraph (e), and 45 are effective beginning for refunds based on property taxes payable in 1991 and for refunds based on rent constituting property taxes paid in 1990. Section 20 is effective for contributions made on or after the date of enactment. Sections 27, except the allowance of the medical expense deduction, and 28 are effective for taxable years beginning after December 31, 1989. Sections 39 to 41 are effective for refunds based on rents paid in 1991 and property taxes payable in 1992 and applications for leasehold cooperative status filed with the county after December 31, 1990. Except where otherwise specifically provided, the rest of this article is effective for taxable years beginning after December 31, 1990.

ARTICLE 6

CORPORATIONS

Section 1. Minnesota Statutes 1990, section 289A.18, subdivision 1, is amended to read:

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.08 and 289A.12 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; and

(8) returns required to be filed under section 289A.08, subdivision 4, must be filed on the 15th day of the fifth month following the close of the taxable year.

Sec. 2. Minnesota Statutes 1990, section 289A.26, subdivision 1, is amended to read:

Subdivision 1. [MINIMUM LIABILITY.] A corporation subject to taxation under chapter 290 (excluding section 290.92) or an entity subject to taxation under section 290.05, subdivision 3, 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.08, subdivision 3.

Sec. 3. Minnesota Statutes 1990, section 289A.26, subdivision 6, is amended to read:

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 for corporations, and the 15th day of the fifth month following the close of the taxable year for entities subject to tax under section 290.05, subdivision 3; 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.

Sec. 4. Minnesota Statutes 1990, section 290.01, subdivision 19d, is amended to read:

Subd. 19d. [CORPORATIONS; MODIFICATIONS DECREASING FEDERAL TAXABLE INCOME.] For corporations, there shall be subtracted from federal taxable income after the increases provided in subdivision 19c:

(1) the amount of foreign dividend gross-up added to gross income for federal income tax purposes under section 78 of the Internal Revenue Code;

(2) the ~~decrease in~~ amount of salary expense not allowed for federal income tax purposes due to claiming the federal jobs credit under section 51 of the Internal Revenue Code;

(3) any dividend (not including any distribution in liquidation) paid within the taxable year by a national or state bank to the United States, or to any instrumentality of the United States exempt from federal income taxes, on the preferred stock of the bank owned by the United States or the instrumentality;

(4) amounts disallowed for intangible drilling costs due to differences between this chapter and the Internal Revenue Code in taxable years beginning before January 1, 1987, as follows:

(i) to the extent the disallowed costs are represented by physical property, an amount equal to the allowance for depreciation under Minnesota Statutes 1986, section 290.09, subdivision 7, subject to the modifications contained in subdivision 19e; and

(ii) to the extent the disallowed costs are not represented by physical property, an amount equal to the allowance for cost depletion under Minnesota Statutes 1986, section 290.09, subdivision 8;

(5) the deduction for capital losses pursuant to sections 1211 and 1212 of the Internal Revenue Code, except that:

(i) for capital losses incurred in taxable years beginning after December 31, 1986, capital loss carrybacks shall not be allowed;

(ii) for capital losses incurred in taxable years beginning after December 31, 1986, a capital loss carryover to each of the 15 taxable years succeeding the loss year shall be allowed;

(iii) for capital losses incurred in taxable years beginning before January 1, 1987, a capital loss carryback to each of the three taxable years preceding the loss year, subject to the provisions of Minnesota Statutes 1986, section 290.16, shall be allowed; and

(iv) for capital losses incurred in taxable years beginning before January 1, 1987, a capital loss carryover to each of the five taxable years succeeding the loss year to the extent such loss was not used in a prior taxable year and subject to the provisions of Minnesota Statutes 1986, section 290.16, shall be allowed;

(6) an amount for interest and expenses relating to income not taxable for federal income tax purposes, if (i) the income is taxable under this chapter and (ii) the interest and expenses were disallowed as deductions under the provisions of section 171(a)(2), 265 or 291 of the Internal Revenue Code in computing federal taxable income;

(7) in the case of mines, oil and gas wells, other natural deposits, and timber for which percentage depletion was disallowed pursuant to subdivision 19c, clause (11), a reasonable allowance for depletion based on actual cost. In the case of leases the deduction must be apportioned between the lessor and lessee in accordance with rules prescribed by the commissioner. In the case of property held in trust, the allowable deduction must be apportioned between the income beneficiaries and the trustee in accordance with the pertinent provisions of the trust, or if there is no provision in the instrument, on the basis of the trust's income allocable to each;

(8) for certified pollution control facilities placed in service in a taxable year beginning before December 31, 1986, and for which amortization deductions were elected under section 169 of the Internal Revenue Code of 1954, as amended through December 31, 1985, an amount equal to the allowance for depreciation under Minnesota Statutes 1986, section 290.09, subdivision 7;

(9) the amount included in federal taxable income attributable to

the credits provided in Minnesota Statutes 1986, section 273.1314, subdivision 9, or Minnesota Statutes, section 469.171, subdivision 6;

(10) amounts included in federal taxable income that are due to refunds of income, excise, or franchise taxes based on net income or related minimum taxes paid by the corporation to Minnesota, another state, a political subdivision of another state, the District of Columbia, or a foreign country or possession of the United States to the extent that the taxes were added to federal taxable income under section 290.01, subdivision 19c, clause (1), in a prior taxable year;

(11) the following percentage of royalties, fees, or other like income accrued or received from a foreign operating corporation or a foreign corporation which is part of the same unitary business as the receiving corporation:

Taxable Year	
Beginning After.....	Percentage
December 31, 1988.....	50 percent
December 31, 1990.....	80 percent; and

(12) income or gains from the business of mining as defined in section 290.05, subdivision 1, clause (a), that are not subject to Minnesota franchise tax; and

(13) the amount of qualified research expenses not allowed for federal income tax purposes under section 280C(c) of the Internal Revenue Code, but only to the extent that the amount exceeds the amount of the credit allowed under section 290.068.

Sec. 5. Minnesota Statutes 1990, section 290.014, subdivision 2, is amended to read:

Subd. 2. [NONRESIDENT INDIVIDUALS.] ~~Income of~~ Except as provided in section 290.015, a nonresident individual is subject to tax ~~under this chapter and a nonresident individual is subject to the return filing requirements under and to tax as provided in this chapter to the extent that the income of the nonresident individual is:~~

(1) allocable to this state under section 290.17, 290.191, or 290.20;

(2) taxed to the individual under the Internal Revenue Code of 1986, as amended through December 31, 1989, (or not taxed under the Internal Revenue Code by reason of its character but of a character which is taxable under this chapter) in the individual's capacity as a beneficiary of an estate with income allocable to this state under section 290.17, 290.191, or 290.20 and the income, taking into account the income character provisions of section 662(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989, would be allocable to this state under section 290.17,

290.191, or 290.20 if realized by the individual directly from the source from which realized by the estate;

(3) taxed to the individual under the Internal Revenue Code of 1986, as amended through December 31, 1989, (or not taxed under the Internal Revenue Code by reason of its character but of a character that is taxable under this chapter) in the individual's capacity as a beneficiary or grantor or other person treated as a substantial owner of a trust with income allocable to this state under section 290.17, 290.191, or 290.20 and the income, taking into account the income character provisions of section 652(b), 662(b), or 664(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989, would be allocable to this state under section 290.17, 290.191, or 290.20 if realized by the individual directly from the source from which realized by the trust;

(4) taxed to the individual under the Internal Revenue Code of 1986, as amended through December 31, 1989, (or not taxed under the Internal Revenue Code by reason of its character but of a character which is taxable under this chapter) in the individual's capacity as a limited or general partner in a partnership with income allocable to this state under section 290.17, 290.191, or 290.20 and the income, taking into account the income character provisions of section 702(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989, would be allocable to this state under section 290.17, 290.191, or 290.20 if realized by the individual directly from the source from which realized by the partnership; or

(5) taxed to the individual under the Internal Revenue Code of 1986, as amended through December 31, 1989, (or not taxed under the Internal Revenue Code by reason of its character but of a character which is taxable under this chapter) in the individual's capacity as a shareholder of a corporation having a valid election in effect under section 1362 of the Internal Revenue Code of 1986, as amended through December 31, 1989, and income allocable to this state under section 290.17, 290.191, or 290.20 and the income, taking into account the income character provisions of section 1366(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989, would be allocable to this state under section 290.17, 290.191, or 290.20 if realized by the individual directly from the source from which realized by the corporation.

Sec. 6. Minnesota Statutes 1990, section 290.014, subdivision 3, is amended to read:

Subd. 3. [TRUSTS AND ESTATES.] Except as provided in section 290.015, a trust or estate, whether resident or nonresident, is subject to the return filing requirements under and to tax as provided in this chapter and the income of a trust or estate is subject to tax

under this chapter to the extent that the income of the trust or estate is:

(1) allocable to this state under section 290.17, 290.191, or 290.20;

(2) taxed to the trust or estate under the Internal Revenue Code of 1986, as amended through December 31, 1989, (or not taxed under the Internal Revenue Code by reason of its character but of a character which is taxable under this chapter) in its capacity as a beneficiary of a trust or estate with income allocable to this state under section 290.17, 290.191, or 290.20 and the income, taking into account the income character provisions of section 662(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989, would be allocable to this state under section 290.17, 290.191, or 290.20 if realized by the trust or beneficiary estate directly from the source from which realized by the distributing estate;

(3) taxed to the trust or estate under the Internal Revenue Code of 1986, as amended through December 31, 1989, (or not taxed under the Internal Revenue Code by reason of its character but of a character which is taxable under this chapter) in its capacity as a beneficiary or grantor or other person treated as a substantial owner of a trust with income allocable to this state under section 290.17, 290.191, or 290.20 and the income, taking into account the income character provisions of section 652(b), 662(b), or 664(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989, would be allocable to this state under section 290.17, 290.191, or 290.20 if realized by the beneficiary trust or estate directly from the source from which realized by the distributing trust;

(4) taxed to the trust or estate under the Internal Revenue Code of 1986, as amended through December 31, 1989, (or not taxed under the Internal Revenue Code by reason of its character but of a character which is taxable under this chapter) in its capacity as a limited or general partner in a partnership with income allocable to this state under section 290.17, 290.191, or 290.20 and the income, taking into account the income character provisions of section 702(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989, would be allocable to this state under section 290.17, 290.191, or 290.20 if realized by the trust or estate directly from the source from which realized by the partnership; or

(5) taxed to the trust or estate under the Internal Revenue Code of 1986, as amended through December 31, 1989, (or not taxed under the Internal Revenue Code by reason of its character but of a character which is taxable under this chapter) in its capacity as a shareholder of a corporation having a valid election in effect under section 1362 of the Internal Revenue Code of 1986, as amended through December 31, 1989, and income allocable to this state under section 290.17, 290.191, or 290.20 and the income, taking into account the income character provisions of section 1366(b) of the

Internal Revenue Code of 1986, as amended through December 31, 1989, would be allocable to this state under section 290.17, 290.191, or 290.20 if realized by the trust or estate directly from the source from which realized by the corporation.

Sec. 7. Minnesota Statutes 1990, section 290.014, subdivision 4, is amended to read:

Subd. 4. [PARTNERSHIPS.] Except as provided in section 290.015, a partnership is not subject to tax under this chapter but is subject to the return filing requirements under and to tax as provided in this chapter and its partners are subject to tax under this chapter on their shares of partnership income to the extent that if the income of the partnership is:

- (1) allocable to this state under section 290.17, 290.191, or 290.20;
- (2) taxed to the partnership under the Internal Revenue Code of 1986, as amended through December 31, 1989, (or not taxed under the Internal Revenue Code by reason of its character but of a character which is taxable under this chapter) in its capacity as a beneficiary of an estate with income allocable to this state under section 290.17, 290.191, or 290.20 and the income, taking into account the income character provisions of section 662(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989, would be allocable to this state under section 290.17, 290.191, or 290.20 if realized by the partnership directly from the source from which realized by the estate;
- (3) taxed to the partnership under the Internal Revenue Code of 1986, as amended through December 31, 1989, (or not taxed under the Internal Revenue Code by reason of its character but of a character which is taxable under this chapter) in its capacity as a beneficiary or grantor or other person treated as a substantial owner of a trust with income allocable to this state under section 290.17, 290.191, or 290.20 and the income, taking into account the income character provisions of section 652(b), 662(b), or 664(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989, would be allocable to this state under section 290.17, 290.191, or 290.20 if realized by the partnership directly from the source from which realized by the trust; or
- (4) taxed to the partnership under the Internal Revenue Code of 1986, as amended through December 31, 1989, (or not taxed under the Internal Revenue Code by reason of its character but of a character which is taxable under this chapter) in its capacity as a limited or general partner in a partnership with income allocable to this state under section 290.17, 290.191, or 290.20 and the income, taking into account the income character provisions of section 702(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989, would be allocable to this state under section 290.17,

290.191, or 290.20 if realized by the second tier partnership directly from the source from which realized by the first tier partnership.

Sec. 8. Minnesota Statutes 1990, section 290.014, subdivision 5, is amended to read:

Subd. 5. [CORPORATIONS.] ~~A corporation having a valid election in effect under section 1362 of the Internal Revenue Code of 1986, as amended through December 31, 1989, is not subject to tax under this chapter, except as provided in section 290.0725, but its shareholders are, and it is subject to the return filing requirements. Except as provided in section 290.015, corporations are subject to the return filing requirements and to tax under as provided in this chapter if the corporation so exercises its franchise as to engage in such contacts with this state as to cause part of the income of the corporation to be:~~

(1) allocable to this state under section 290.17, 290.191, 290.20, 290.35, or 290.36;

(2) taxed to the corporation under the Internal Revenue Code of 1986, as amended through December 31, 1989, (or not taxed under the Internal Revenue Code by reason of its character but of a character which is taxable under this chapter) in its capacity as a beneficiary of an estate with income allocable to this state under section 290.17, 290.191, or 290.20 and the income, taking into account the income character provisions of section 662(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989, would be allocable to this state under section 290.17, 290.191, or 290.20 if realized by the corporation directly from the source from which realized by the estate;

(3) taxed to the corporation under the Internal Revenue Code of 1986, as amended through December 31, 1989, (or not taxed under the Internal Revenue Code by reason of its character but of a character which is taxable under this chapter) in its capacity as a beneficiary or grantor or other person treated as a substantial owner of a trust with income allocable to this state under section 290.17, 290.191, or 290.20 and the income, taking into account the income character provisions of section 652(b), 662(b), or 664(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989, would be allocable to this state under section 290.17, 290.191, or 290.20 if realized by the corporation directly from the source from which realized by the trust; or

(4) taxed to the corporation under the Internal Revenue Code of 1986, as amended through December 31, 1989, (or not taxed under the Internal Revenue Code by reason of its character but of a character which is taxable under this chapter) in its capacity as a limited or general partner in a partnership with income allocable to this state under section 290.17, 290.191, or 290.20 and the income,

taking into account the income character provisions of section 702(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989, would be allocable to this state under section 290.17, 290.191, or 290.20 if realized by the corporation directly from the source from which realized by the partnership.

Sec. 9. Minnesota Statutes 1990, section 290.05, subdivision 3, is amended to read:

Subd. 3. (a) An organization exempt from taxation under subdivision 2 shall, nevertheless, be subject to tax under this chapter to the extent provided in the following provisions of the Internal Revenue Code:

(i) section 527 (dealing with political organizations);

(ii) section 528 (dealing with certain homeowners associations);
and

(iii) sections 511 to 515 (dealing with unrelated business income);
and

(iv) section 521 (dealing with farmers' cooperatives); but

notwithstanding this subdivision, shall be considered an organization exempt from income tax for the purposes of any law which refers to organizations exempt from income taxes.

(b) The tax shall be imposed on the taxable income of political organizations or homeowner associations or the unrelated business taxable income, as defined in section 512 of the Internal Revenue Code, of organizations defined in section 511 of the Internal Revenue Code, provided that the tax is not imposed on advertising revenues from a newspaper published by an organization described in section 501(c)(4) of the Internal Revenue Code. The tax shall be at the corporate rates. The tax shall only be imposed on income and deductions assignable to this state under sections 290.17 to 290.20. To the extent deducted in computing federal taxable income, the deductions contained in section 290.21 shall not be allowed in computing Minnesota taxable net income.

Sec. 10. Minnesota Statutes 1990, section 290.06, subdivision 21, is amended to read:

Subd. 21. [ALTERNATIVE MINIMUM TAX; FACTORS TAX.] (a) A corporation is allowed a credit for alternative minimum tax previously paid for any taxable year in which the corporation has no tax liability under section 290.092, subdivision 1, and has an alternative minimum tax credit carryover from a previous year. The credit allowable in any taxable year equals the lesser of (1) the

excess of the tax under subdivision 1 for the taxable year over the amount computed under section 290.092, subdivision 1, clause (1), for the taxable year, or (2) the alternative minimum tax credit carryover to the taxable year.

(b) The tax imposed under section 290.092, subdivision 1, for the taxable year is an alternative minimum tax credit carryover to each of the five taxable years succeeding the taxable year. The entire amount of the alternative minimum tax credit must be carried to the earliest taxable year to which the amount may be carried. The unused portion of the credit must be carried to the following taxable year. No credit may be carried to a taxable year more than five years after the taxable year in which the alternative minimum tax under section 290.092, subdivision 1, was incurred.

(c) For taxable years beginning after December 31, 1989, qualification for a credit and computation of the amount of the credit for alternative minimum tax under paragraph (a) must be determined by computing the alternative minimum tax that would apply if section 290.092 were in effect for the taxable year.

(d) An acquiring corporation may carry over this credit from a transferor or distributor corporation in a corporate acquisition. The provisions of section 381 of the Internal Revenue Code apply in determining the amount of the carryover, if any.

Sec. 11. Minnesota Statutes 1990, section 290.068, subdivision 1, is amended to read:

290.068 [CREDIT FOR INCREASING RESEARCH AND EXPERIMENTAL EXPENDITURES ACTIVITIES.]

Subdivision 1. [CREDIT ALLOWED.] A corporation, other than a corporation with a valid election in effect under section 1362 of the Internal Revenue Code of 1986, as amended through December 31, 1989, is allowed a credit against the portion of the franchise tax computed under section 290.06, subdivision 1, for the taxable year equal to:

- (a) 5 percent of the first \$2 million of the excess (if any) of
 - (1) the qualified research expenses for the taxable year, over
 - (2) the base ~~period research expenses~~ amount; and
- (b) 2.5 percent on all of such excess expenses over \$2 million.

Sec. 12. Minnesota Statutes 1990, section 290.068, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given.

(a) "Qualified research expenses" means (i) qualified research expenses and basic research payments as defined in section 41(b) and (e) of the Internal Revenue Code, except it ~~shall~~ does not include expenses incurred for qualified research or basic research conducted outside the state of Minnesota pursuant to section 41(d) and (e) of the Internal Revenue Code; ~~or~~ and (ii) contributions to a nonprofit corporation established and operated pursuant to the provisions of chapter 317A for the purpose of promoting the establishment and expansion of business in this state, provided the contributions are invested by the nonprofit corporation for the purpose of providing funds for small, technologically innovative enterprises in Minnesota during the early stages of their development.

(b) "Qualified research" means qualified research as defined in section 41(d) of the Internal Revenue Code, except that the term ~~shall~~ does not include qualified research conducted outside the state of Minnesota.

(c) "Base period research expenses amount" means base period research expenses amount as defined in section 41(c) of the Internal Revenue Code, except that "December 31, 1981" shall be substituted for "June 30, 1981" in subparagraph (B) of paragraph (2) the average annual gross receipts must be calculated using Minnesota sales or receipts under section 290.191 and the definitions contained in clauses (a) and (b) shall apply.

(d) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, 1989.

Sec. 13. Minnesota Statutes 1990, section 290.068, subdivision 5, is amended to read:

Subd. 5. [ADJUSTMENTS; ACQUISITIONS AND DISPOSITIONS.] If a taxpayer acquires or disposes of the major portion of a trade or business or the major portion of a separate unit of a trade or business in a transaction with another taxpayer, the taxpayer's qualified research expenses and base period ~~shall be amount~~ are adjusted in the same manner provided by section 41(f)(3) of the Internal Revenue Code, except that "December 31, 1980" shall be substituted for "June 30, 1980."

Sec. 14. Minnesota Statutes 1990, section 290.0921, subdivision 8, is amended to read:

Subd. 8. [CARRYOVER CREDIT.] (a) A corporation is allowed a credit against qualified regular tax for qualified alternative minimum tax previously paid. The credit is allowable only if the

corporation has no tax liability under this section for the taxable year and if the corporation has an alternative minimum tax credit carryover from a previous year. The credit allowable in a taxable year equals the lesser of

(1) the excess of the qualified regular tax for the taxable year over the amount computed under subdivision 1, paragraph (a), clause (1), for the taxable year or

(2) the carryover credit to the taxable year.

(b) For purposes of this subdivision, the following terms have the meanings given.

(1) "Qualified alternative minimum tax" equals the amount determined under subdivision 1 for the taxable year. ~~In computing the amount of alternative minimum tax~~

(i) ~~the adjustment under section 56(e)(3) of the Internal Revenue Code must not be made;~~

(ii) ~~the full amount of the charitable contribution deduction under section 290.21, subdivision 3, must be deducted in computing Minnesota alternative minimum taxable income; and~~

(iii) ~~in the case of a corporation subject to an occupation tax under section 298.01 the tax preference for depletion under section 57(a)(1) of the Internal Revenue Code must be deducted in computing Minnesota alternative minimum taxable income.~~

(2) "Qualified regular tax" means the tax imposed under section 290.06, subdivision 1.

(c) The qualified alternative minimum tax for a taxable year is an alternative minimum tax credit carryover to each of the taxable years succeeding the taxable year. The entire amount of the credit must be carried to the earliest taxable year to which the amount may be carried. Any unused portion of the credit must be carried to the following taxable year. No credit may be carried to a taxable year in which alternative minimum tax was paid.

(d) An acquiring corporation may carry over this credit from a transferor or distributor corporation in a corporate acquisition. The provisions of section 381 of the Internal Revenue Code apply in determining the amount of the carryover, if any.

Sec. 15. Minnesota Statutes 1990, section 290.0922, subdivision 1, is amended to read:

Subdivision 1. [IMPOSITION.] (a) In addition to the tax imposed by this chapter without regard to this section, the franchise tax imposed on a corporation required to file under section 290.37, other than a corporation having a valid election in effect under section 1362 of the Internal Revenue Code of 1986, as amended through December 31, 1989, for the taxable year includes a tax equal to the following amounts:

If the sum of the corporation's Minnesota property, payrolls, and sales or receipts is: the tax equals:

less than \$500,000	\$0
\$ 500,000 to \$ 1,000,000 <u>\$999,999</u>	\$100
\$ 1,000,000 to \$ 4,999,999	\$300
\$ 5,000,000 to \$ 9,999,999	\$1,000
\$10,000,000 to \$19,999,999	\$2,000
\$20,000,000 or more	\$5,000

(b) A tax is imposed annually beginning in 1990 on a corporation required to file a return under section 290.41, subdivision 1, that has a valid election in effect for the taxable year under section 1362 of the Internal Revenue Code of 1986, as amended through December 31, 1989, and on a partnership required to file a return under section 290.41, subdivision 1, other than a partnership that derives over 80 percent of its income from farming. The tax imposed under this paragraph is due on or before the due date of the return due under section 290.41, subdivision 1, for the calendar year following the calendar year in which the tax is imposed. The commissioner shall prescribe the return to be used for payment of this tax. The tax under this paragraph is equal to the following amounts:

If the sum of the S corporation's or partner ship's Minnesota property, payrolls, and sales or receipts is: the tax equals:

less than \$500,000	\$0
\$ 500,000 to \$ 1,000,000 <u>\$999,999</u>	\$100
\$ 1,000,000 to \$ 4,999,999	\$300
\$ 5,000,000 to \$ 9,999,999	\$1,000
\$10,000,000 to \$19,999,999	\$2,000
\$20,000,000 or more	\$5,000

Sec. 16. Minnesota Statutes 1990, section 290.17, subdivision 5, is amended to read:

Subd. 5. [SPECIAL RULES RULE.] 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) For an athletic teams team 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. 17. Minnesota Statutes 1990, section 290.191, subdivision 6, is amended to read:

Subd. 6. [DETERMINATION OF RECEIPTS FACTOR FOR FINANCIAL INSTITUTIONS.] (a) For purposes of this section, the rules in this subdivision and subdivisions 7 and 8 apply in determining the receipts factor for financial institutions.

(b) "Receipts" for this purpose means gross income, including net taxable gain on disposition of assets, including securities and money market instruments, when derived from transactions and activities in the regular course of the taxpayer's trade or business.

(c) "Money market instruments" means federal funds sold and securities purchased under agreements to resell, commercial paper, banker's acceptances, and purchased certificates of deposit and similar instruments to the extent that the instruments are reflected as assets under generally accepted accounting principles.

(d) "Securities" means United States Treasury securities, obligations of United States government agencies and corporations, obligations of state and political subdivisions, corporate stock and other securities, participations in securities backed by mortgages held by United States or state government agencies, loan-backed securities and similar investments to the extent the investments are reflected as assets under generally accepted accounting principles.

(e) Receipts from the lease or rental of real or tangible personal property, including both finance leases and true leases, must be attributed to this state if the property is located in this state. Tangible personal property that is characteristically moving property, such as motor vehicles, rolling stock, aircraft, vessels, mobile equipment, and the like, is considered to be located in a state if:

(1) the operation of the property is entirely within the state; or

(2) the operation of the property is in two or more states, but the principal base of operations from which the property is sent out is in the state.

(f) Interest income and other receipts from assets in the nature of loans that are secured primarily by real estate or tangible personal property must be attributed to this state if the security property is located in this state under the principles stated in paragraph (e).

(g) Interest income and other receipts from consumer loans not

secured by real or tangible personal property that are made to residents of this state, whether at a place of business, by traveling loan officer, by mail, by telephone or other electronic means, must be attributed to this state.

(h) Interest income and other receipts from commercial loans and installment obligations that are unsecured by real or tangible personal property or secured by intangible property must be attributed to this state if the proceeds of the loan are to be applied in this state. If it cannot be determined where the funds are to be applied, the income and receipts are attributed to the state in which the office of the borrower from which the application would be made in the regular course of business is located. If this cannot be determined, the transaction is disregarded in the apportionment formula.

(i) Interest income and other receipts from a participating financial institution's portion of participation and syndication loans must be attributed under paragraphs (e) to (h). A participation loan is an arrangement in which a lender makes a loan to a borrower and then sells, assigns, or otherwise transfers all or a part of the loan to a purchasing financial institution. A syndication loan is a ~~multibank~~ loan transaction involving multiple financial institutions in which all the lenders are named as parties to the loan documentation, are known to the borrower, and have privity of contract with the borrower.

(j) Interest income and other receipts including service charges from financial institution credit card and travel and entertainment credit card receivables and credit card holders' fees must be attributed to the state to which the card charges and fees are regularly billed.

(k) Merchant discount income derived from financial institution credit card holder transactions with a merchant must be attributed to the state in which the merchant is located. In the case of merchants located within and outside the state, only receipts from merchant discounts attributable to sales made from locations within the state are attributed to this state. It is presumed, subject to rebuttal, that the location of a merchant is the address shown on the invoice submitted by the merchant to the taxpayer.

(l) Receipts from the performance of fiduciary and other services must be attributed to the state in which the benefits of the services are consumed. If the benefits are consumed in more than one state, the receipts from those benefits must be apportioned to this state pro rata according to the portion of the benefits consumed in this state. If the extent to which the benefits of services are consumed in this state is not readily determinable, the benefits of the services shall be deemed to be consumed at the location of the office of the customer from which the services were ordered in the regular course of the customer's trade or business. If the ordering office cannot be deter-

mined, the benefits of the services shall be deemed to be consumed at the office of the customer to which the services are billed.

(m) Receipts from the issuance of travelers checks and money orders must be attributed to the state in which the checks and money orders are purchased.

(n) Receipts from investments of a financial institution in securities of this state, its political subdivisions, agencies, and instrumentalities must be attributed to this state.

(o) Receipts from a financial institution's interest in any property described in section 290.015, subdivision 3, paragraph (b), is not included in the numerator or the denominator of the receipts factor provided the financial institution's activities within this state with respect to any interest in the property are limited in the manner provided in section 290.015, subdivision 3, paragraph (b). If a financial institution is subject to tax under this chapter, its interest in property described in section 290.015, subdivision 3, paragraph (b), is included in the receipts factor in the same manner as assets in the nature of securities or money market instruments are included under paragraph (n) and subdivision 7. and from money market instruments must be apportioned to this state based on the ratio that total deposits from this state, its residents, including any business with an office or other place of business in this state, its political subdivisions, agencies, and instrumentalities bear to the total deposits from all states, their residents, their political subdivisions, agencies, and instrumentalities. In the case of an unregulated financial institution subject to this section, these receipts are apportioned to this state based on the ratio that its gross business income, excluding such receipts, earned from sources within this state bears to gross business income, excluding such receipts, earned from sources within all states. For purposes of this subdivision, deposits made by this state, its residents, its political subdivisions, agencies, and instrumentalities must be attributed to this state, whether or not the deposits are accepted or maintained by the taxpayer at locations within this state.

(o) A financial institution's interest in property described in section 290.015, subdivision 3, paragraph (b), is included in the receipts factor in the same manner as assets in the nature of securities or money market instruments are included in paragraph (n).

Sec. 18. Minnesota Statutes 1990, section 290.191, subdivision 8, is amended to read:

Subd. 8. [DEPOSIT; DEFINITION.] (a) "Deposit," as used in subdivision 7, has the meanings in this subdivision.

(b) "Deposit" means the unpaid balance of money or its equivalent

received or held by a financial institution in the usual course of business and for which it has given or is obligated to give credit, either conditionally or unconditionally, to a commercial, checking, savings, time, or thrift account whether or not advance notice is required to withdraw the credited funds, or which is evidenced by its certificate of deposit, thrift certificate, investment certificate, or certificate of indebtedness, or other similar name, or a check or draft drawn against a deposit account and certified by the financial institution, or a letter of credit or a traveler's check on which the financial institution is primarily liable. However, without limiting the generality of the term "money or its equivalent," any such account or instrument must be regarded as evidencing the receipt of the equivalent of money when credited or issued in exchange for checks or drafts or for a promissory note upon which the person obtaining the credit or instrument is primarily or secondarily liable, or for a charge against a deposit account, or in settlement of checks, drafts, or other instruments forwarded to the bank for collection.

(c) "Deposit" means trust funds received or held by the financial institution, whether held in the trust department or held or deposited in any other department of the financial institution.

(d) "Deposit" means money received or held by a financial institution, or the credit given for money or its equivalent received or held by a financial institution, in the usual course of business for a special or specific purpose, regardless of the legal relationship so established. Under this paragraph, "deposit" includes, but is not limited to, escrow funds, funds held as security for an obligation due to the financial institution or others, including funds held as dealers reserves, or for securities loaned by the bank financial institution, funds deposited by a debtor to meet maturing obligations, funds deposited as advance payment on subscriptions to United States government securities, funds held for distribution or purchase of securities, funds held to meet its acceptances or letters of credit, and withheld taxes. It does not include funds received by the financial institution for immediate application to the reduction of an indebtedness to the receiving financial institution, or under condition that the receipt of the funds immediately reduces or extinguishes the indebtedness.

(e) "Deposit" means outstanding drafts, including advice or another such institution, cashier's checks, money orders, or other *officer's checks issued* in the usual course of business for any purpose, but not including those issued in payment for services, dividends, or purchases or other costs or expenses of the financial institution itself.

(f) "Deposit" means money or its equivalent held as a credit balance by a financial institution on behalf of its customer if the entity is engaged in soliciting and holding such balances in the regular course of its business.

(g) Interinstitution fund transfers are not deposits.

Sec. 19. Minnesota Statutes 1990, section 290.191, subdivision 11, is amended to read:

Subd. 11. [FINANCIAL INSTITUTIONS; PROPERTY FACTOR.]

(a) For financial institutions, the property factor includes, as well as tangible property, intangible property as set forth in this subdivision.

(b) Intangible personal property must be included at its tax basis for federal income tax purposes.

(c) Goodwill must not be included in the property factor.

(d) Coin and currency located in this state must be attributed to this state.

(e) Lease financing receivables must be attributed to this state if and to the extent that the property is located within this state.

(f) Assets in the nature of loans that are secured by real or tangible personal property must be attributed to this state if and to the extent that the security property is located within this state.

(g) Assets in the nature of consumer loans and installment obligations that are unsecured or secured by intangible property must be attributed to this state if the loan was made to a resident of this state.

(h) Assets in the nature of commercial loan and installment obligations that are unsecured by real or tangible personal property or secured by intangible property must be attributed to this state if the proceeds of the loan are to be applied in this state. If it cannot be determined where the funds are to be applied, the assets must be attributed to the state in which there is located the office of the borrower from which the application would be made in the regular course of business. If this cannot be determined, the transaction is disregarded in the apportionment formula.

(i) A participating financial institution's portion of participation and syndication loans must be attributed under paragraphs (e) to (h).

(j) Financial institution credit card and travel and entertainment credit card receivables must be attributed to the state to which the credit card charges and fees are regularly billed.

(k) Receivables arising from merchant discount income derived from financial institution credit card holder transactions with a

merchant are attributed to the state in which the merchant is located. In the case of merchants located within and without the state, only receivables from merchant discounts attributable to sales made from locations within the state are attributed to this state. It is presumed, subject to rebuttal, that the location of a merchant is the address shown on the invoice submitted by the merchant to the taxpayer.

(l) Assets in the nature of securities and money market instruments are apportioned to this state based upon the ratio that total deposits from this state, its residents, its political subdivisions, agencies and instrumentalities bear to the total deposits from all states, their residents, their political subdivisions, agencies and instrumentalities. In the case of an unregulated financial institution, the assets are apportioned to this state based upon the ratio that its gross business income earned from sources within this state bears to gross business income earned from sources within all states. For purposes of this subsection, deposits made by this state, its residents, its political subdivisions, agencies, and instrumentalities are attributed to this state, whether or not the deposits are accepted or maintained by the taxpayer at locations within this state.

(m) A financial institution's interest in any property described in section 290.015, subdivision 3, paragraph (b), ~~is not included in the numerator or the denominator of the property factor provided the financial institution's activities within this state with respect to any interest in such property are limited in the manner provided in section 290.015, subdivision 3, paragraph (b).~~ If a financial institution is subject to tax under this chapter, its interest in property described in section 290.015, subdivision 3, paragraph (b), is included in the property factor in the same manner as assets in the nature of securities or money market instruments are included under paragraph (1).

Sec. 20. Minnesota Statutes 1990, section 290.35, subdivision 3, is amended to read:

Subd. 3. [CREDIT.] An insurance company shall receive a credit against the tax computed under sections 290.06, subdivision 1, and 290.0921, equal to any taxes based on premiums paid by it that are attributable to the period for which the tax under this chapter is imposed by virtue of any law of this state, other than the surcharge on premiums imposed by sections 69.54 to 69.56.

Sec. 21. Minnesota Statutes 1990, section 290.9727, subdivision 1, is amended to read:

Subdivision 1. [TAX IMPOSED.] For a corporation electing S corporation status pursuant to section 1362 of the Internal Revenue Code of 1986, as amended through December 31, 1989, after December 31, 1986, and having a recognized built-in gain as defined

in section 1374 of the Internal Revenue Code of 1986, as amended through December 31, 1989, there is imposed a tax on the taxable income of such S corporation, as defined in this section, at the rate prescribed by section 290.06, subdivision 1. This section subdivision does not apply to any corporation having an S election in effect for each of its taxable years. An S corporation and any predecessor corporation must be treated as one corporation for purposes of the preceding sentence.

Sec. 22. Minnesota Statutes 1990, section 290.9727, is amended by adding a subdivision to read:

Subd. 1a. [ASSET TRANSFERS.] In the case of the transfer of assets from a C corporation to an S corporation as described in section 1374(d)(8) of the Internal Revenue Code of 1986, as amended through December 31, 1990, a tax is imposed on the taxable income of the S corporation, as defined in this section, at the rate prescribed in section 290.06, subdivision 1.

Sec. 23. Minnesota Statutes 1990, section 290.9727, subdivision 3, is amended to read:

Subd. 3. [TAXABLE NET INCOME.] For purposes of this section, taxable net income means the lesser of:

(1) the recognized built-in gains of the S corporation for the taxable year, as determined under section 1374 of the Internal Revenue Code of 1986, as amended through December 31, 1989, subject to the modifications provided in section 290.01, ~~subdivisions 19e and~~ subdivision 19f, that are allocable to this state under section 290.17, 290.191, or 290.20; or

(2) the amount of the S corporation's federal taxable income, as determined under section 1374(d)(4) of the Internal Revenue Code of 1986, as amended through December 31, 1989, subject to the provisions of section 290.01, subdivisions 19c to 19f, that is allocable to this state under section 290.17, 290.191, or 290.20, less the deduction for charitable contributions in section 290.21, subdivision 3.

Sec. 24. Minnesota Statutes 1990, section 290.9727, is amended by adding a subdivision to read:

Subd. 5. [CREDIT CARRYFORWARD.] Any credit carryforward allowed under this chapter and arising in a taxable year in which the corporation was a C corporation is allowed as a credit against the tax imposed by this section.

Sec. 25. Laws 1990, chapter 604, article 2, section 22, is amended to read:

Sec. 22. [EFFECTIVE DATE.]

Section 1 is effective for premiums paid after December 31, 1989. The provisions of section 12 are effective for taxable years beginning after December 31, 1990 for insurance companies domiciled in a state or country other than Minnesota that imposes retaliatory taxes, fines, deposits, penalties, licenses, or fees. Section 14 is effective the day following final enactment. The remainder of this article is effective for taxable years beginning after December 31, 1989, except as otherwise provided.

Sec. 26. [REPEALER.]

Minnesota Statutes 1990, sections 290.068, subdivision 6; 290.069, subdivisions 2a, 4a, and 4b; 290.17, subdivision 7; and 290.191, subdivision 7, are repealed.

Sec. 27. [EFFECTIVE DATE.]

Sections 2, 9, 15 to 19, 21 to 24, and 26 are effective for taxable years beginning after December 31, 1990, provided that the carry-over for the credit provided under Minnesota Statutes, section 290.068, subdivision 6, that is repealed by section 26, remains in effect for taxable years beginning before 2003. Sections 10 and 14 are effective the day following final enactment. Sections 1, 3, 20, and 25 are effective for taxable years beginning after December 31, 1989.

ARTICLE 7

SALES AND USE TAX

Section 1. Minnesota Statutes 1990, section 84.82, is amended by adding a subdivision to read:

Subd. 10. [PROOF OF SALES TAX PAYMENT.] A person applying for initial registration of a snowmobile must provide a snowmobile purchaser's certificate, showing a complete description of the snowmobile, the seller's name and address, the full purchase price of the snowmobile, and the trade-in allowance, if any. The certificate must include information showing either (1) that the sales and use tax under chapter 297A was paid or (2) the purchase was exempt from tax under chapter 297A. The commissioner of public safety, in consultation with the commissioner and the commissioner of revenue, shall prescribe the form of the certificate.

Sec. 2. Minnesota Statutes 1990, section 86B.401, is amended by adding a subdivision to read:

Subd. 12. [PROOF OF SALES TAX PAYMENT.] A person apply-

ing for initial licensing of a watercraft must provide a watercraft purchaser's certificate, showing a complete description of the watercraft, the seller's name and address, the full purchase price of the watercraft, and the trade-in allowance, if any. The certificate must include information showing either (1) that the sales and use tax under chapter 297A was paid or (2) the purchase was exempt from tax under chapter 297A. The commissioner of public safety, in consultation with the commissioner and the commissioner of revenue, shall prescribe the form of the certificate.

Sec. 3. Minnesota Statutes 1990, section 289A.11, subdivision 1, is amended to read:

Subdivision 1. [RETURN REQUIRED.] Except as provided in section 289A.18, subdivision 4, for the month in which taxes imposed by sections 297A.01 to 297A.44 are payable, or for which a return is due, a return for the preceding reporting period must be filed with the commissioner in the form the commissioner prescribes. The return must be verified by a written declaration that it is made under the criminal penalties for making a false return, and in addition must contain a confession of judgment for the amount of the tax shown due to the extent not timely paid. A person making sales at retail at two or more places of business may file a consolidated return subject to rules prescribed by the commissioner.

Notwithstanding this subdivision, a person who is not required to hold a sales tax permit under chapter 297A and who makes annual purchases of less than \$5,000 that are subject to the use tax imposed by section 297A.14, may file an annual use tax return on a form prescribed by the commissioner. If a person who qualifies for an annual use tax reporting period is required to obtain a sales tax permit or makes use tax purchases in excess of \$5,000 during the calendar year, the reporting period must be considered ended at the end of the month in which the permit is applied for or the purchase in excess of \$5,000 is made and a return must be filed for the preceding reporting period.

Sec. 4. Minnesota Statutes 1990, section 289A.18, subdivision 4, is amended to read:

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, except that annual use tax returns provided for under section 289A.11, subdivision 1, must be filed by April 15 following the close of the calendar year. In addition, on or before June 20 of a year, a retailer who has a May liability of \$1,500 or more must file a return with the commissioner for one-half of the estimated June liability, in addition to filing a return for the May liability. On or before August 20 of a year, the retailer must file a return showing the actual June liability.

Sec. 5. Minnesota Statutes 1990, section 289A.20, subdivision 4, is amended to read:

Subd. 4. [SALES AND USE TAX.] (a) The taxes imposed by chapter 297A are due and payable to the commissioner monthly on or before the 20th day of the month following the month in which the taxable event occurred or following another reporting period as the commissioner prescribes, except that use taxes due on an annual use tax return as provided under section 289A.11, subdivision 1, are payable by April 15 following the close of the calendar year.

(b) A vendor having a liability of \$1,500 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. 6. Minnesota Statutes 1990, section 289A.60, subdivision 15, is amended to read:

Subd. 15. [ACCELERATED PAYMENT OF JUNE SALES TAX LIABILITY; PENALTY FOR UNDERPAYMENT.] If a vendor is required by law to submit an estimation of June sales tax liabilities and one-half 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, or (3) 50 percent of the average monthly liability for the previous calendar year.

Sec. 7. Minnesota Statutes 1990, section 297A.01, subdivision 3, is amended to read:

Subd. 3. A "sale" and a "purchase" includes, but is not limited to, each of the following transactions:

(a) Any transfer of title or possession, or both, of tangible personal property, whether absolutely or conditionally, and the leasing of or the granting of a license to use or consume tangible personal

property other than manufactured homes used for residential purposes for a continuous period of 30 days or more, for a consideration in money or by exchange or barter;

(b) The production, fabrication, printing, or processing of tangible personal property for a consideration for consumers who furnish either directly or indirectly the materials used in the production, fabrication, printing, or processing;

(c) The furnishing, preparing, or serving for a consideration of food, meals, or drinks. "Sale" does not include:

(1) meals or drinks served to patients, inmates, or persons residing at hospitals, sanitariums, nursing homes, senior citizens homes, and correctional, detention, and detoxification facilities;

(2) meals or drinks purchased for and served exclusively to individuals who are 60 years of age or over and their spouses or to the handicapped and their spouses by governmental agencies, 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. 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.~~ Telephone service includes private communication service, as defined in United States Code, title 26, section 4252(d), and paging 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. The sale of natural gas to be used as a fuel in vehicles propelled by natural gas shall not be considered a sale for the purposes of this section;

(g) The furnishing for a consideration of cable television services, including charges for basic monthly service, charges for monthly premium service, and charges for any other similar television services;

(h) Notwithstanding subdivision 4, and section 297A.25, subdivision 9, 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;

(vii) solid waste collection and disposal services as described in section 297A.45;

(viii) massages, except when provided by a licensed health care facility or professional or upon written referral from a licensed health care facility or professional for treatment of illness, injury, or disease;

(ix) the furnishing for consideration of space or services for the storage of yachts, ships, boats or other watercraft, including charges for slip and marina rental, boat docking, and similar services;

(x) the furnishing for consideration of lodging, board and care services for animals in kennels and other similar arrangements, but excluding veterinary and horse boarding services; and

(xi) furniture refinishing and reupholstery services.

The services listed in this paragraph are taxable under section 297A.02 if the service is performed wholly within Minnesota or if the service is performed partly within and partly without Minnesota and the greater proportion of the service is performed in Minnesota, based on the cost of performance. In applying the provisions of this

chapter, the terms “tangible personal property” and “sales at retail” include taxable services and the provision of taxable services, unless specifically provided otherwise. Services performed by an employee for an employer are not taxable under this paragraph. Services performed by a partnership or association for another partnership or association are not taxable under this paragraph if one of the entities owns or controls more than 80 percent of the voting power of the equity interest in the other entity. Services performed between members of an affiliated group of corporations are not taxable. For purposes of this section, “affiliated group of corporations” includes those entities that would be classified as a member of an affiliated group under United States Code, title 26, section 1504, and who are eligible to file a consolidated tax return for federal income tax purposes; 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. 8. Minnesota Statutes 1990, 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 (l). 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. 9. Minnesota Statutes 1990, section 297A.01, subdivision 10, is amended to read:

Subd. 10. [RETAILER.] "Retailer" includes every person engaged in making sales at retail as herein defined. For isolated and occasional sales of trade or business equipment that are taxable because the sale was arranged or assisted by an agent, broker, or auctioneer, the retailer is the agent, broker, or auctioneer.

Sec. 10. Minnesota Statutes 1990, section 297A.01, is amended by adding a subdivision to read:

Subd. 19. [AQUACULTURE PRODUCTION EQUIPMENT.] "Aquaculture production equipment" means new or used machinery, equipment, implements, accessories, and contrivances used directly and principally in aquaculture production. Aquaculture production equipment includes: augers and blowers, automatic feed systems, manual feeding equipment, shockers, gill nets, trap nets, seines, box traps, round nets and traps, net pens, dip nets, net washers, floating net supports, floating access walkways, net supports and walkways, growing tanks, holding tanks, troughs, raceways, transport tanks, egg taking equipment, egg hatcheries, egg incubators, egg baskets and troughs, egg graders, egg counting equipment, fish counting equipment, fish graders, fish pumps and loaders, fish elevators, air blowers, air compressors, oxygen generators, oxygen regulators, diffusers and injectors, air supply equipment, oxygenation columns, water coolers and heaters, heat exchangers, water filter systems, water purification systems, waste collection equipment, feed mills, portable scales, feed grinders, feed

mixers, feed carts and trucks, power feed wagons, fertilizer spreaders, fertilizer tanks, forage collection equipment, land levelers, loaders, post hole diggers, disc, harrow, plow, and water diversion devices. Repair or replacement parts for aquaculture production equipment shall not be included in the definition of aquaculture production equipment.

Sec. 11. Minnesota Statutes 1990, section 297A.02, subdivision 2, is amended to read:

Subd. 2. [MACHINERY AND EQUIPMENT.] Notwithstanding the provisions of subdivision 1, the rate of the excise tax imposed upon sales of special tooling is four percent and upon sales of farm machinery and aquaculture production equipment is two percent.

Sec. 12. Minnesota Statutes 1990, section 297A.02, is amended by adding a subdivision to read:

Subd. 6. [LUXURY ITEMS.] An additional tax is imposed on the retail sale of boats, passenger vehicles, aircraft, jewelry, and furs equal to 25 percent of the tax liability imposed under sections 4001 through 4011 of the Internal Revenue Code of 1986, as amended through December 31, 1990. The tax imposed under this subdivision does not apply to vans specially equipped for use in transporting a person with a disability.

Sec. 13. [297A.135] [RENTAL MOTOR VEHICLE TAX.]

Subdivision 1. [TAX IMPOSED.] A tax of \$7.50 is imposed on the lease or rental in this state on a daily or weekly basis of a passenger automobile as defined in section 168.011, subdivision 7, a van as defined in section 168.011, subdivision 28, or a pickup truck as defined in section 168.011, subdivision 29. The tax does not apply to the lease or rental of a hearse or limousine used in connection with a burial or funeral service. The tax does not apply if the term of the lease or rental is longer than 28 days. It applies whether or not the vehicle is licensed in the state.

Subd. 2. [SALES AND USE TAX.] The tax imposed in subdivision 1 is not included in the sales price for purposes of determining the sales and use tax imposed in this chapter or any sales and use tax imposed on the transaction under a special law.

Subd. 3. [ADMINISTRATION.] The tax imposed in subdivision 1 must be reported and paid to the commissioner of revenue with the taxes imposed in this chapter. It is subject to the same interest, penalty, and other provisions provided for sales and use taxes under chapter 289A and this chapter. The commissioner has the same powers to assess and collect the tax that are given the commissioner

in chapters 270 and 289A and this chapter to assess and collect sales and use tax.

Sec. 14. Minnesota Statutes 1990, section 297A.21, subdivision 1, is amended to read:

Subdivision 1. [RETAILER MAINTAINING PLACE OF BUSINESS IN MINNESOTA.] "Retailer maintaining a place of business in this state", or any like term, shall mean any retailer having or maintaining within this state, directly or by a subsidiary, an office, place of distribution house, sales house or sample room or place, warehouse, or other place of business, or any agent operating within having any representative, agent, salesperson, canvasser, or solicitor operating in this state under the authority of the retailer or its subsidiary, whether such place of business or agent is located in the state permanently or temporarily, or whether or not such retailer or subsidiary is authorized to do business within this state for any purpose, including the repairing, selling, delivering, installing, or soliciting of orders for the retailer's goods or services, or the leasing of tangible personal property located in this state, whether the place of business or agent, representative, salesperson, canvasser, or solicitor is located in the state permanently or temporarily, or whether or not the retailer or subsidiary is authorized to do business within this state.

Sec. 15. Minnesota Statutes 1990, section 297A.21, subdivision 4, is amended to read:

Subd. 4. [REQUIRED REGISTRATION BY OUT-OF-STATE RETAILER NOT MAINTAINING PLACE OF BUSINESS IN MINNESOTA.] (a) A retailer making retail sales from outside this state to a destination within this state and not maintaining a place of business in this state shall file an application for a permit pursuant to section 297A.04 and shall collect and remit the use tax as provided in section 297A.16 if the retailer engages in the regular or systematic soliciting of sales from potential customers in this state by:

(1) the distribution, by mail or otherwise, without regard to the state from which such distribution originated or in which the materials were prepared, of catalogs, periodicals, advertising flyers, or other written solicitations of business to customers in this state;

(2) display of advertisements on billboards or other outdoor advertising in this state;

(3) advertisements in newspapers published in this state;

(4) advertisements in trade journals or other periodicals the circulation of which is primarily within this state;

(5) advertisements in a Minnesota edition of a national or regional publication or a limited regional edition in which this state is included of a broader regional or national publication which are not placed in other geographically defined editions of the same issue of the same publication;

(6) advertisements in regional or national publications in an edition which is not by its contents geographically targeted to Minnesota but which is sold over the counter in Minnesota or by subscription to Minnesota residents;

(7) advertisements broadcast on a radio or television station located in Minnesota; or

(8) any other solicitation by telegraphy, telephone, computer data base, cable, optic, microwave, or other communication system.

(b) The location within or without this state of vendors independent of the retailer which provide products or services to the retailer in connection with its solicitation of customers within this state, including such products and services as creation of copy, printing, distribution, and recording, is not to be taken into account in the determination of whether the retailer is required to collect use tax. Paragraph (a) shall be construed without regard to the state from which distribution of the materials originated or in which they were prepared.

(c) A retailer not maintaining a place of business in this state shall be presumed, subject to rebuttal, to be engaged in regular solicitation within this state if it (1) engages in any of the activities in paragraph (a) and (1) makes 100 or more retail sales from outside this state to destinations within this state during a period of 12 consecutive months, or (2) makes ten or more retail sales totaling more than \$100,000 from outside this state to destinations within this state during a period of 12 consecutive months.

(d) A retailer not maintaining a place of business in this state shall not be required to collect use tax imposed by any local governmental unit or subdivision of this state and this section does not subject such a retailer to any regulation of any local unit of government or subdivision of this state.

Sec. 16. Minnesota Statutes 1990, section 297A.211, subdivision 2, is amended to read:

Subd. 2. (a) Such persons, when properly registered as retailers, may make purchases in this state, or import property into this state, without payment of the sales or use taxes imposed by this chapter at the time of purchase or importation, provided that such purchases or

importations come within the provisions of this section and are made in strict compliance with the rules of the commissioner.

(b) Any person described in subdivision 1 may elect to pay directly to the commissioner any sales or use tax that may be due under this chapter for the acquisition of mobile transportation equipment and parts and accessories attached or to be attached to such equipment registered under section 168.187.

(c) The total cost of such equipment and parts and accessories attached or to be attached to such equipment shall be multiplied by a fraction, the numerator of which is the Minnesota mileage operated during the past calendar year within the state of Minnesota as reported on the current pro rata application provided for in section 168.187 and the denominator is the total mileage operated during the past calendar year reported on the current pro rata registration application. The amount so determined shall be multiplied by the tax rate to disclose the tax due.

In computing the tax under this section "sales price" does not include the amount of any tax, except any manufacturer's or importer's excise tax, imposed by the United States upon or with respect to retail sales, whether imposed on the retailer or the consumer.

(d) Each such retailer shall make a return and remit to the commissioner the tax due for the preceding calendar month in accordance with the provisions of sections 289A.11 and 289A.20, subdivision 4.

Sec. 17. Minnesota Statutes 1990, section 297A.25, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] The items contained in ~~subdivisions 2 to 30~~ this section are specifically exempted from the taxes imposed by sections ~~297A.01 to 297A.44.~~

Sec. 18. Minnesota Statutes 1990, section 297A.25, subdivision 10, is amended to read:

Subd. 10. [PUBLICATIONS; PUBLICATION MATERIALS.] The gross receipts from the sale of and storage, use or other consumption in Minnesota of tangible personal property ~~(except as provided in section 297A.14)~~ which is used or consumed in producing any publication regularly issued at average intervals not exceeding three months, and any such publication are exempt. For purposes of this subdivision, "publication" as used herein shall include, without limiting the foregoing, a legal qualified newspaper as defined by section ~~331.02~~ 331A.02, and any supplements or enclosures with or part of said newspaper; and the gross receipts of any advertising

contained therein or therewith shall be exempt. For this purpose, advertising in any such publication shall be deemed to be a service and not tangible personal property, and persons or their agents who publish or sell such newspapers shall be deemed to be engaging in a service with respect to gross receipts realized from such newsgathering or publishing activities by them, including the sale of advertising. The term "publication" shall not include magazines and periodicals sold over the counter. Magazines and periodicals shall be treated as publications for purposes of this subdivision except that the gross receipts from the over-the-counter or subscription sale of, storage, use, or other consumption in Minnesota of magazines and periodicals shall be subject to the taxes imposed by this chapter. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures used in such publication and fuel, electricity, gas or steam used for space heating or lighting, are not exempt.

Sec. 19. Minnesota Statutes 1990, section 297A.25, subdivision 12, is amended to read:

Subd. 12. [OCCASIONAL SALES.] (a) The gross receipts from the isolated or occasional sale of tangible personal property in Minnesota not made in the normal course of business of selling that kind of property, and the storage, use, or consumption of property acquired as a result of such a sale are exempt.

(b) This exemption does not apply to sales of tangible personal property primarily used in a trade or business unless (1) the sale occurs in a transaction subject to or described in section 118, 336, 337, 338, 351, 355, 368, 721, 731, 1031, or 1033 of the Internal Revenue Code of 1986, as amended through December 31, 1990, or (2) the sale is between members of an affiliated group as defined in section 1504(a) of the Internal Revenue Code of 1986, as amended through December 31, 1990.

(c) This exemption does not apply to sales at an auction conducted by a person who is paid for conducting the auction.

Sec. 20. Minnesota Statutes 1990, section 297A.25, is amended by adding a subdivision to read:

Subd. 46. [SACRAMENTAL WINE.] The gross receipts from the sale of wine for sacramental purposes in religious ceremonies, as described in section 340A.316, if the wine is purchased from a nonprofit religious organization meeting the requirements of subdivision 16 or from the holder of a sacramental wine license as provided in section 340A.316 are exempt.

Sec. 21. [297A.2501] [SEVERABILITY RULES; EXEMPTIONS.]

Subdivision 1. [SEVERABILITY; PUBLICATIONS AND COMMUNICATIONS MEDIA.] If the tax on the sale or use of (1) magazines, periodicals, or other printed material, (2) capital equipment, or (3) communications or related services is found to be unconstitutional as a result of the exemption of other elements of the press or communications media or the failure to exempt the press or communication media, the legislature intends the exemption to be invalid and the tax be imposed as widely as necessary to uphold the constitutionality of the tax and ensure the receipt of state revenue.

Subd. 2. [EFFECT OF INVALIDITY OF EXEMPTION.] If an exemption is found invalid, the court shall impose the tax retroactively for the time period that is the subject of the challenge to the tax. After the court's order is final and nonappealable, the commissioner of revenue shall collect unpaid taxes for the period in which the exemption was held invalid from the seller regardless of whether taxes were collected from the purchasers of the goods and services.

Subd. 3. [COORDINATION; OTHER SEVERABILITY PROVISIONS.] The provisions of this section govern to the extent inconsistent with section 645.20.

Sec. 22. Minnesota Statutes 1990, section 297A.255, subdivision 5, is amended to read:

Subd. 5. There is specifically exempted from the provisions of this chapter the purchase or use of aircraft previously 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. 23. Minnesota Statutes 1990, section 297B.02, is amended by adding a subdivision to read:

Subd. 4. [LUXURY CARS.] An additional tax is imposed on the sale of a passenger vehicle equal to 25 percent of the tax liability imposed under sections 4001 and 4004 of the Internal Revenue Code of 1986, as amended through December 31, 1990. The tax imposed under this subdivision does not apply to vans specially equipped for use in transporting a person with a disability.

Sec. 24. Minnesota Statutes 1990, section 469.190, subdivision 7, is amended to read:

Subd. 7. [COLLECTION.] The statutory or home rule charter city, town, or county may agree with the commissioner of revenue that a tax imposed pursuant to this section shall be collected by the

commissioner together with the tax imposed by chapter 297A, and subject to the same interest, penalties, and other rules and that its proceeds, less the cost of collection, shall be remitted to the city.

Sec. 25. Laws 1980, chapter 511, section 1, subdivision 2, is amended to read:

Subd. 2. Notwithstanding Minnesota Statutes, Section 477A.01, Subdivision 18, or any other law, ordinance, or city charter provision to the contrary, the city of Duluth may, by ordinance, impose an additional sales tax of up to one percent on sales transactions which are described in Minnesota Statutes, Section 297A.01, Subdivision 3, Clause (c). The imposition of this tax shall not be subject to voter referendum under either state law or city charter provisions. ~~The tax imposed pursuant to this subdivision shall terminate no later than December 31, 1992.~~

Sec. 26. Laws 1983, chapter 342, article 19, section 1, is amended to read:

Section 1. [SALES AND USE TAX.]

Notwithstanding Minnesota Statutes, section 477A.016, or any other contrary provision of law, ordinance, or city charter, the city of Rochester may, by ordinance, impose an additional sales tax of up to one percent on sales transactions taxable pursuant to Minnesota Statutes, chapter 297A, that occur within the city, and may also, by ordinance, impose an additional compensating use tax of up to one percent on uses of property within the city, the sale of which would be subject to the additional sales tax but for the fact the property was sold outside the city.

Sec. 27. Laws 1986, chapter 462, section 31, is amended to read:

Sec. 31. [AUTHORITY FOR TAXATION.]

Notwithstanding Minnesota Statutes, section 477A.016, or any other law, and supplemental to the tax imposed by Laws 1982, chapter 523, article 25, section 1, the city of St. Paul may impose, by ordinance, a tax, at a rate not greater than ~~two~~ three percent, on the gross receipts from the furnishing for consideration of lodging at a hotel, rooming house, tourist court, motel, or resort, other than the renting or leasing of space for a continuous period of 30 days or more. The tax does not apply to the furnishing of lodging by a business having less than 50 lodging rooms. The tax shall be collected by and its proceeds paid to the city. Ninety-five percent of the revenues generated by this tax shall be used to fund a convention bureau to market and promote the city as a tourist or convention center.

Sec. 28. Laws 1990, chapter 604, article 6, section 9, subdivision 1, is amended to read:

Sec. 9. [BLOOMINGTON LODGING TAX.]

Subdivision 1. [AUTHORIZATION.] Notwithstanding Minnesota Statutes, section 469.190, 477A.016, or other law, in addition to the tax authorized in Laws 1986, chapter 391, section 4, the governing body of the city of Bloomington may impose a tax of up to one percent on the gross receipts from the furnishing for consideration of lodging at a hotel, motel, rooming house, tourist court, or resort, other than the renting or leasing of it for a continuous period of 30 days or more, located in the city. The city may agree with the commissioner of revenue that a tax imposed under this section shall be collected by the commissioner together with the tax imposed by Minnesota Statutes, chapter 297A, and subject to the same interest, penalties, and other rules and that its proceeds, less the cost of collection, shall be remitted to the city. The proceeds of the tax must be used to promote the metropolitan sports area defined in Minnesota Statutes, section 473.551, subdivision 5 by the Bloomington convention bureau only to market and promote the city as a tourist or convention center. If the duties of the convention bureau as they existed on January 1, 1991, are assigned to another agency, the tax shall cease.

Subd. 1a. [LOCAL APPROVAL.] Subdivision 1 takes effect the day after the governing body of the city of Bloomington complies with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 29. Laws 1990, chapter 604, article 6, section 11, is amended to read:

Sec. 11. [EFFECTIVE DATE.]

Sections 1 to 3 are effective for sales after June 30, 1990.

Section 4 is effective for sales after December 31, ~~1983~~ 1982. The provisions of Minnesota Statutes, section 297A.35, apply to refunds claimed under section 4.

Section 5 is effective for transactions occurring on or after December 1, 1989.

Sections 6 to 8 are effective February 1, 1990. Any tax increase adopted by action of a city council after February 1, 1990, under Minnesota Statutes, section 469.190, that results in a tax rate that exceeds three percent is ineffective the day following final enactment of this act.

Section 9 is effective the day following final enactment.

Section 10 is effective the day following final enactment, but only if the legislature authorizes the issuance of bonds for the construction of the facility during its 1990 session.

Sec. 30. [CITY OF MANKATO; SALES TAX.]

Subdivision 1. [SALES TAX AUTHORIZED.] Notwithstanding Minnesota Statutes, section 477A.016, or any other contrary provision of law, ordinance, or city charter, the city of Mankato may, by ordinance, impose an additional sales tax of up to one percent on sales transactions taxable pursuant to Minnesota Statutes, chapter 297A, that occur within the city.

Subd. 2. [EXCISE TAX.] Notwithstanding Minnesota Statutes, section 477A.016, or any other contrary provision of law, ordinance, or city charter, the city of Mankato may, by ordinance, impose an excise tax of up to \$20 per motor vehicle, as defined by ordinance, purchased or acquired from any person engaged within the city in the business of selling motor vehicles at retail.

Subd. 3. [USE OF REVENUES.] Revenues received from taxes authorized by subdivisions 1 and 2 shall be used by the city to pay the cost of collecting the tax and to pay all or a portion of the expenses of constructing and operating facilities as part of an urban revitalization project in downtown Mankato known as Riverfront 2000. Authorized expenses include, but are not limited to, acquiring property and paying relocation expenses related to the development of Riverfront 2000 and related facilities, and securing or paying debt service on bonds or other obligations issued to finance the construction of Riverfront 2000 and related facilities. For purposes of this section, "Riverfront 2000 and related facilities" means a civic-convention center, an arena, a riverfront park, and all publicly owned real or personal property that the governing body of the city determines will be necessary to facilitate the use of these facilities, including but not limited to parking, skyways, pedestrian bridges, lighting, and landscaping.

Subd. 4. [EXPIRATION OF TAXING AUTHORITY AND EXPENDITURE LIMITATION.] The authority granted by subdivisions 1 and 2 to the city to impose a sales tax and an excise tax shall expire when the principal and interest on any bonds or obligations issued to finance construction of Riverfront 2000 and related facilities have been paid or at an earlier time as the city shall, by ordinance, determine. The total capital, administrative, and operating expenditures payable from bond proceeds and revenues received from the taxes authorized by subdivisions 1 and 2, excluding investment earnings on bond proceeds and revenues, shall not exceed \$25,000,000 for Riverfront 2000 and related facilities.

Subd. 5. [BONDS.] The city of Mankato may issue general obligation bonds of the city in an amount not to exceed \$25,000,000

for Riverfront 2000 and related facilities, without election under Minnesota Statutes, chapter 475, on the question of issuance of the bonds or a tax to pay them. The debt represented by bonds issued for Riverfront 2000 and related facilities shall not be included in computing any debt limitations applicable to the city of Mankato, and the levy of taxes required by section 475.61 to pay principal of and interest on the bonds shall not be subject to any levy limitation or be included in computing or applying any levy limitation applicable to the city.

Subd. 6. [REVERSE REFERENDUM.] If the Mankato city council intends to exercise the authority provided by this section, it shall pass a resolution stating the fact before July 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 ten 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. This subdivision applies notwithstanding any city charter provision to the contrary.

Subd. 7. [ENFORCEMENT; COLLECTION; AND ADMINISTRATION OF TAXES.] A sales tax imposed under this section shall be reported and paid to the commissioner of revenue with the state sales taxes, and be subject to the same penalties, interest, and enforcement provisions. The proceeds of the tax, less refunds and a proportionate share of the cost of collection, shall be remitted at least quarterly to the city. The commissioner shall deduct from the proceeds remitted an amount that equals the indirect statewide cost as well as the direct and indirect department costs necessary to administer, audit, and collect the tax. The amount deducted shall be deposited in the state general fund.

Subd. 8. [LOCAL APPROVAL; EFFECTIVE DATE.] This section is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of

Mankato, provided that the tax must be imposed and its rate fixed before December 31, 1992.

Sec. 31. [WINONA LODGING TAX.]

Subdivision 1. [AUTHORIZATION.] Notwithstanding Minnesota Statutes, section 469.190, 477A.016, or other law, in addition to the tax authorized in section 469.190, the city of Winona may, by ordinance, impose a tax of up to one percent on the gross receipts from the furnishing for consideration of lodging at a hotel, motel, rooming house, tourist court, or resort, other than the renting or leasing of it for a continuous period of 30 days or more. The city may, by ordinance, impose the tax authorized under this section on the camping site receipts of a municipal campground.

Fifty percent of the proceeds of this tax shall be used to retire the indebtedness of the Julius C. Wilke Steamboat Center and the balance shall be used in the manner directed in Minnesota Statutes, section 469.190, subdivision 3. Upon retirement of the debt, the council shall by ordinance reduce the tax by one-half percent or dedicate the entire one percent in the manner directed in section 469.190, subdivision 3.

The tax shall be collected in the same manner as other taxes authorized under Minnesota Statutes, section 469.190.

Subd. 2. [LOCAL APPROVAL.] Subdivision 1 takes effect the day after the governing body of the city of Winona complies with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 32. [CITIES OR TOWNS IN HENNEPIN AND RAMSEY COUNTIES; LODGING TAX PROCEEDS.]

Notwithstanding the provisions of Minnesota Statutes, section 469.190, subdivision 3, the proceeds of a tax imposed under Minnesota Statutes, section 469.190, subdivision 1, by a statutory or home rule charter city or town located in Hennepin or Ramsey county may be used for any purpose otherwise permitted by law.

Sec. 33. [REFUNDS.]

No refunds may be paid under section 20 unless the claimant can demonstrate to the commissioner of revenue that the refunds will be paid to those who paid the tax.

Sec. 34. [REPEALER.]

Minnesota Statutes 1990, section 297A.257, and Laws 1986, chapter 399, article 1, section 5, are repealed.

Sec. 35. [EFFECTIVE DATE.]

Section 1 is effective for snowmobiles registered after September 1, 1991. Section 2 is effective for watercraft registered after September 1, 1991. Sections 3 to 5 are effective for purchases made after June 30, 1991. Section 6 is effective for the June 1992 payment and thereafter. Sections 8, 14, and 16 are effective July 1, 1991. Section 13 is effective for leases or rentals of motor vehicles after June 30, 1991. Section 15 is effective July 1, 1989. Section 22 is effective July 1, 1990. Sections 7, 9 to 12, 18, 19, 23, 24, and 32 are effective for sales after June 30, 1991. Section 20 is effective for sales of wine after December 31, 1987. Section 25 is effective the day after approval in compliance with Minnesota Statutes, section 645.021, subdivision 3, by the city council of Duluth. Sections 27 and 29 are effective the day following final enactment. Section 26 is effective January 1, 1984.

ARTICLE 8

SPECIAL TAXES

Section 1. Minnesota Statutes 1990, section 43A.316, subdivision 9, is amended to read:

Subd. 9. [INSURANCE TRUST FUND.] The insurance trust fund in the state treasury consists of deposits of the premiums received from employers participating in the plan and transfers from the public employees insurance reserve holding account established by section 353.65, subdivision 7. All money in the fund is appropriated to the commissioner to pay insurance premiums, approved claims, refunds, administrative costs, and other related service costs. Premiums paid by employers to the fund are exempt from the tax imposed by sections 60A.15 and 60A.198. The commissioner shall reserve an amount of money to cover the estimated costs of claims incurred but unpaid. The state board of investment shall invest the money according to section 11A.24. Investment income and losses attributable to the fund must be credited to the fund.

Sec. 2. Minnesota Statutes 1990, section 60A.19, subdivision 8, is amended to read:

Subd. 8. [INSURANCE FROM UNLICENSED FOREIGN COMPANIES.] Any person, firm, or corporation desiring to obtain insurance upon any property, interests, or risks of any nature other than life insurance in this state in companies not authorized to do business therein shall give bond to the commissioner of commerce in such sum as the commissioner shall deem reasonable, with satisfactory resident sureties, conditioned that the obligors, on the expiration of a license to obtain such insurance, shall pay to the commissioner of revenue, for the use of the state, a tax of two percent

upon the gross premiums paid by the licensee. Thereupon the commissioner of commerce shall issue such license, good for one year, and all insurance procured thereunder shall be lawful and valid and the provisions of all policies thereof shall be deemed in accordance, and construed as if identical in effect, with the standard policy prescribed by the laws of this state and the insurers may enter the state to perform any act necessary or proper in the conduct of the business. This bond may be enforced by the commissioner of commerce in the commissioner's name in any district court. The licensee shall file with the commissioner of commerce on June 30 and December 31 annually a verified statement of the aggregate premiums paid and returned premiums received on account of such insurance.

The commissioner of revenue, or duly authorized agents, may conduct investigations, inquiries, and hearings to enforce the tax imposed by this subdivision and, in connection with those investigations, inquiries, and hearings, the commissioner and duly authorized agents have all the powers conferred by section 270.06.

Sec. 3. Minnesota Statutes 1990, section 69.54, is amended to read:

69.54 [SURCHARGE ON PREMIUMS TO RESTORE DEFICIENCY IN SPECIAL FUND.]

Subdivision 1. [SURCHARGE.] The commissioner shall order and direct a surcharge to be collected of two percent of the fire, lightning, and sprinkler leakage gross premiums, less return premiums, on all direct business received by any licensed foreign or domestic fire insurance company on property in this city of the first class, or by its agents for it, in cash or otherwise. This surcharge shall be due and payable from these companies to the state treasurer on March 31, May 31, and October 31 of each calendar year, and if not paid within 30 days after these dates, a penalty of ten percent shall accrue thereon and thereafter this sum and penalty shall draw interest at the rate of one percent per month until paid.

Subd. 2. [ENFORCEMENT.] The commissioner, or duly authorized agents, may conduct investigations, inquiries, and hearings to enforce the surcharge imposed by subdivision 1 and, in connection with those investigations, inquiries, and hearings, the commissioner and duly authorized agents have the powers conferred upon the commissioner and examiners by section 270.06.

Sec. 4. Minnesota Statutes 1990, section 270.60, is amended to read:

270.60 [TAX REFUND AGREEMENTS WITH INDIANS.]

Subdivision 1. [TAXES PAID BY INDIANS.] The commissioner of revenue is authorized to enter into a tax refund agreement with the governing body of any Sioux or Chippewa reservation in Minnesota. The agreement may provide for a mutually agreed upon amount as a refund to the governing body of any sales or excise tax paid by the Indian residents of total resident population on or adjacent to a reservation into the state treasury, or for an amount which measures the economic value of an agreement by the council to pay the equivalent of the state sales tax on items included in the sales tax base but exempt on the reservation, notwithstanding any other law which limits the refundment of taxes. The total resident Indian population on or adjacent to a reservation shall be defined according to the United States Department of the Interior, Bureau of Indian Affairs, as determined and stated in its Report on Service Population and Labor Force.

Subd. 2. [CIGARETTE TAXES.] The commissioner of revenue is also authorized to enter into a tax refund agreement with the governing body of any federally recognized Indian reservation in Minnesota, for refund of a mutually agreed upon amount of the cigarette taxes collected from sales on reservations or trust lands of an Indian tribe to the established governing body of the tribe having jurisdiction over the reservation or trust land on which the sale is made.

Subd. 3. [APPROPRIATION.] There is annually appropriated from the general fund to the commissioner of revenue the amounts necessary to make the refunds provided in this section.

Sec. 5. Minnesota Statutes 1990, section 295.01, subdivision 10, is amended to read:

Subd. 10. [TELEPHONE COMPANY.] The term "telephone company" as used in this chapter means any person, firm, association or corporation, excluding municipal telephone companies, owning or operating any telephone line or telephone exchange for hire wholly or partly within this state, including radio and other advancements in the art of telephony and sellers of telephone services, but excluding resellers and cellular radio. "Resellers of telephone services" as used in this chapter means any person, firm, association, or corporation that:

(1) resells telecommunications services purchased from telephone companies as defined in this chapter;

(2) does not own, operate, manage, or control transmission facilities that have the technological capability to provide telecommunication services; and

(3) incurs costs equal to at least 50 percent of its gross revenues for

the telephone services purchased from telephone companies that own, operate, manage, or control transmission facilities.

Sec. 6. Minnesota Statutes 1990, section 295.34, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivision 2, every telephone company shall file a return with the commissioner of revenue on or before April 15 of each year, and submit payment therewith, of the following percentages of its gross earnings, including long distance access charges, of the preceding calendar year derived from business within this state:

(a) for gross earnings from service to rural subscribers and from exchange business of all cities of the fourth class and statutory cities having a population of 10,000 or less

~~for calendar years beginning before December 31, 1988, four percent,~~

~~for calendar year 1989, three percent, provided that the estimated tax payments made on March 15 and June 15, 1989, pursuant to section 295.365, must be made as if the tax were imposed at a rate of four percent,~~

~~for calendar year 1990 years 1991 and 1992, 1.5 percent,~~

~~for calendar year 1991 1993, one 1.25 percent, provided the estimated tax payments on March 15 and June 15, 1993, under section 295.365, must be made as if the tax were imposed at a rate of 1.5 percent, and~~

~~for calendar years beginning after December 31, 1991 1993, exempt; and~~

(b) for gross earnings derived from all other business

~~for calendar years beginning before December 31, 1988, seven percent,~~

~~for calendar year 1989, 5.5 percent, provided that the estimated tax payments made on March 15 and June 15, 1989, pursuant to section 295.365, must be made as if the tax were imposed at a rate of seven percent,~~

~~for calendar year 1990 years 1991 and 1992, three percent,~~

~~for calendar year 1991 1993, 2.5 2.75 percent, provided that the estimated tax payments on March 15 and June 15, 1993, under~~

section 295.365 must be made as if the tax were imposed at a rate of three percent, and

for calendar years beginning after December 31, ~~1991~~ 1993, exempt.

A tax shall not be imposed on the gross earnings of a telephone company from business originating or terminating outside of Minnesota; ~~except that the gross earnings tax is imposed on all long distance access charges allocated to interstate service received in payment from a telephone company before December 31, 1989.~~

The tax imposed is in lieu of all other taxes, except the taxes imposed by chapter 290, property taxes assessed ~~beginning in 1989, payable in 1990~~, and sales and use taxes imposed as a result of chapter 297A. All money paid by a company for connecting fees and switching charges to any other company shall be reported as earnings by the company to which they are paid. For the purposes of this section, the population of any statutory city shall be considered as that stated in the latest federal census.

(c) ~~For the period January 1, 1984 through December 31, 1986, all money paid by a company for connecting fees and switching charges, including carriers access charges except that portion paid for directory assistance and billing and collection services, to any other company must be reported as earnings by the company to which they are paid, but are not deemed to be earnings of the collecting and paying company.~~

(d) Gross earnings include customer access charges. Customer access charges are not gross earnings from business originating or terminating outside of Minnesota for purposes of the gross earnings tax. Customer access charges include the flat rate monthly charges received by a telephone company from its customers, that are authorized by the Federal Communications Commission and that compensate a telephone company for the cost of a local telephone plant to the extent attributable to interstate service.

Sec. 7. [295.367] [TAX ON 900 PAY-PER-CALL SERVICES.]

Subdivision 1. [TAX IMPOSED.] A tax at a rate of 7.5 percent is imposed on the gross earnings of a billing agency from providing the services described in subdivision 2, paragraph (c), for calls placed to 900 services after August 31, 1991.

Subd. 2. [DEFINITIONS.] (a) For purposes of this section, the following terms have the meanings given.

(b) "900 service" means pay-per-call 900 information services

provided through a telephone exchange, commonly accessed by dialing 1-900, 1-960, 1-976, or other similar prefix.

(c) "Billing agency" means the person or entity responsible for billing and collection of the charges for 900 services from the purchaser of the service.

Subd. 3. [PAYMENT; ADMINISTRATION.] (a) If the billing agency is a telephone company, the tax must be paid, collected, and administered at the times and in the manner provided for the gross earnings tax, and the tax shall be considered a tax imposed under sections 295.34 to 295.366.

(b) If the billing agency is not a telephone company, the tax shall be paid, collected, and administered as if the tax were a sales tax imposed under section 297A.02 and all the rules applicable under chapters 270B, 289A, and 297A apply to the tax.

Sec. 8. Minnesota Statutes 1990, section 296.01, subdivision 25, is amended to read:

Subd. 25. [ALTERNATE FUEL PERMIT.] "Alternate fuel permit" means a permit issued annually to a person owning a motor vehicle propelled by compressed natural gas or, propane, or any other manner except gasoline or special fuel, for a fee imposed in lieu of payment of the gasoline excise tax imposed by sections 296.02 and 296.025.

Sec. 9. Minnesota Statutes 1990, section 296.026, subdivision 1, is amended to read:

Subdivision 1. [ANNUAL ALTERNATE FUEL PERMIT.] Any A person owning a motor vehicle propelled by compressed natural gas or, propane, or any other manner except gasoline or special fuel, shall obtain an annual permit for each such that vehicle in accordance with subdivision 2 or 2a. The period for which the alternate fuel permit is valid must coincide with the motor vehicle registration period of the vehicle. A person shall obtain all required permits within 30 days of becoming a user of compressed natural gas or, propane, or any other method of propulsion except gasoline or special fuel.

Sec. 10. Minnesota Statutes 1990, section 296.026, subdivision 2, is amended to read:

Subd. 2. [PERMIT FEES IMPOSED.] The fees for annual alternate fuel permits are based on each vehicle's mileage in the preceding year and are as follows:

Gross Vehicle Weight	Fee
Under 6,000 6,001 pounds	\$ 8.80 per 1,000 miles
6,001 - 12,000 pounds	\$10.60 per 1,000 miles
12,001 - 18,000 pounds	\$18.80 per 1,000 miles
18,001 - 26,000 pounds	\$27.10 per 1,000 miles
26,001 - 36,000 pounds	\$31.80 per 1,000 miles
Over 36,000 pounds	\$40.00 per 1,000 miles

A log with validating receipts pertaining to the vehicle's out of state mileage may be supplied to the commissioner of public safety at the time of permit application to be subtracted from the actual mileage for the purpose of calculating the permit fee. If no true cumulative mileage figures are available for the preceding year, the fee charged under this section must be based on 15,000 miles driven within the state.

The fee for a permit required by this section must be calculated based on the number of unexpired months remaining in the registration year of the vehicle as measured from the date of the occurrence of the event requiring the permit.

Sec. 11. Minnesota Statutes 1990, section 296.026, is amended by adding a subdivision to read:

Subd. 2a. [OPTIONAL METHOD OF DETERMINING PERMIT FEES.] (a) The owner of a motor vehicle covered by this section may, at the owner's option, pay a permit fee determined under this subdivision if the vehicle is capable of being propelled by gasoline as well as compressed natural gas or propane.

(b) The fee for a permit under this subdivision is based on each vehicle's mileage in the previous year while propelled by compressed natural gas or propane and are as follows:

(1) for a vehicle with a gross vehicle weight under 6,001 pounds, .9 cents a mile; or

(2) for a vehicle with a gross vehicle weight of 6,001 pounds to 12,000 pounds, one cent a mile; or

(3) for a vehicle with a gross vehicle weight of 12,001 to 18,000 pounds, 1.9 cents a mile; or

(4) for a vehicle with a gross vehicle weight of 18,001 to 26,000 pounds, 2.7 cents a mile; or

(5) for a vehicle with a gross vehicle weight of 26,001 to 36,000 pounds, 3.2 cents a mile; or

(6) for a vehicle with a gross vehicle weight over 36,000 pounds, 4 cents a mile.

An owner opting to pay a fee calculated under this subdivision shall submit a log, with validating receipts pertaining to the vehicle's mileage while propelled by compressed natural gas or propane and its mileage while propelled by gasoline, to the commissioner of public safety upon application for the permit.

Sec. 12. Minnesota Statutes 1990, section 296.026, is amended by adding a subdivision to read:

Subd. 2b. [MILEAGE CALCULATIONS.] A log with validating receipts pertaining to the vehicle's out-of-state mileage may be supplied to the commissioner of public safety at the time of permit application to be subtracted from the actual mileage for the purpose of calculating the permit fee. If no true cumulative mileage figures are available for the preceding year, the fee must be based on 15,000 miles driven within the state for a fee determined under subdivision 2 or 7,500 miles driven within the state for a fee determined under subdivision 2a.

The fee for a permit required by this section must be calculated based on the number of unexpired months remaining in the registration year of the vehicle as measured from the date of the occurrence of the event requiring the permit.

Sec. 13. Minnesota Statutes 1990, section 296.026, subdivision 7, is amended to read:

Subd. 7. [FEES IN LIEU OF GAS TAX.] The permit fees collected under subdivision 2 are in lieu of the gasoline excise tax imposed by sections 296.02 and 296.025. Compressed natural gas or, propane sold, or any other method of propulsion sold as fuel for motor vehicles displaying valid annual alternate fuel permit stickers is not subject to any tax at the time of sale. All alternate fuel permit fees collected by the department of public safety must be deposited in the state treasury and credited to the highway user tax distribution fund.

Sec. 14. [296.165] [UNTAXED GASOLINE AND SPECIAL FUEL; SEIZURE AND FORFEITURE.]

Subdivision 1. [SEIZURE.] The commissioner or authorized designees may seize gasoline or special fuel being transported for delivery in violation of section 296.06, subdivision 1, and any vehicle or other method of conveyance used for transporting the gasoline or special fuel. Property seized under this subdivision is subject to forfeiture as provided in subdivisions 2 and 3.

Subd. 2. [INVENTORY.] Within two days after the seizure of gasoline or special fuel, the person making the seizure shall deliver an inventory of the property seized to the person from whom the seizure was made, if known, and file a copy with the office of the commissioner. 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 commissioner a demand for a judicial determination of whether the property was lawfully subject to seizure and forfeiture. The commissioner, within 30 days of demand for a judicial determination, shall begin an action in the district court of the county where the seizure was made to determine the issue of forfeiture. The action must be brought in the name of the state and prosecuted by the county attorney or by the attorney general. The court shall hear the action without a jury and shall try and determine the issues of fact and law involved. When a judgment of forfeiture is entered, the commissioner 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 public auction as provided by law. Proceeds of a sale, after deducting the expense of keeping the gasoline or special fuel and costs of the sale, must be paid into the state treasury. The commissioner shall reimburse designees for costs incurred. If a demand for judicial determination is made and no action is commenced as provided in this subdivision, the property must be released by the commissioner and redelivered to the person entitled to it. If no demand is made, the property seized must be considered forfeited to the state by operation of law and may be disposed of by the commissioner as provided where there has been a judgment of forfeiture. When the commissioner is satisfied that a person from whom property is seized under this chapter was acting in good faith and without intent to evade the tax, the commissioner shall release the property seized, without further legal proceedings.

Subd. 3. [CONVEYANCES.] (a) The commissioner or authorized designees shall file with the court a separate complaint against the vehicle or conveyance, describing it and charging its use in the specified violation, and specifying substantially the time and place of the unlawful use. A copy of the complaint must be served on the defendant or person in charge of the vehicle or conveyance at the time of seizure, if any. The court shall issue an order directed to any person known or believed to have a right or title to, interest in, or lien on the vehicle or conveyance and to persons unknown claiming a right, title, interest, or lien:

(1) describing the vehicle or conveyance and stating that it was seized and that a complaint against it, charging the specified violation, has been filed with the court;

(2) requiring the persons to file with the court administrator of the court their answer to the complaint, setting forth any claim they

may have to a right or title to, interest in, or lien on the vehicle or conveyance, within ten days after the service of the order; and

(3) notifying them in substance that if they fail to file their answer within that time the vehicle or conveyance will be ordered sold by the commissioner.

(b) The court shall cause the order to be served on:

(1) the registered owner;

(2) any person who has duly filed a conditional sales contract, mortgage, or other lien instrument covering the property unless it has been released or satisfied;

(3) any other person known or believed to have a right, title, interest in, or lien upon, the vehicle or conveyance as in the case of a summons in a civil action; and

(4) on unknown persons by publication, as provided for service of summons in a civil action.

(c) If no answer is filed within the time prescribed, the court shall, on affidavit by the court administrator of the court setting forth that fact, order the vehicle or conveyance forfeited and direct that it be sold by the commissioner or the commissioner's agents. The proceeds of the sale, after deducting the expense of keeping the vehicle or conveyance and costs of the sale, including any costs incurred pursuant to paragraph (f), must be paid into the state treasury. The commissioner shall reimburse designees for costs incurred.

(d) If an answer is filed within the time provided, the court shall fix a time for hearing at least ten but no more than 30 days after the time for filing the answer expires. At the hearing, the matter must be heard and determined by the court, without a jury, as in other civil actions. If the court finds that the vehicle or conveyance, or any part of it, was used in a violation as specified in the complaint, it shall order the vehicle or conveyance forfeited and direct that it be sold, as provided in this section, unless the owner shows to the satisfaction of the court that the vehicle was being used without the owner's consent or that, when giving the consent, the owner had no notice or knowledge or reason to believe that the vehicle or conveyance was intended to be used in a violation. After deducting the expense of keeping the vehicle or conveyance and costs of the sale, the officer making the sale shall pay, according to their priority, all liens established at the hearing as being bona fide and existing without the lienor having any notice or knowledge at the time the lien was created that the vehicle or conveyance was being used or was intended to be used in connection with any violation, and shall pay the balance of the proceeds into the state treasury. The

commissioner shall reimburse designees for costs incurred. A sale under this section frees the conveyance sold from all liens.

(e) At any time after seizure and before the hearing, the vehicle or conveyance must be returned to the owner or person having a legal right to its possession on execution by that person of a valid bond to the state of Minnesota, with corporate surety, of at least \$100 but not more than double the value of the vehicle or conveyance seized, to be approved by the court in which the case is triable, or a judge of that court. The bond must guarantee compliance with the order and judgment of the court, and, if ordered by the court, payment of the full value of the vehicle or conveyance at the time of seizure.

(f) If the seized vehicle or conveyance is owned or operated by a for-hire common or contract motor carrier, and was being used without knowledge of the violation, the commissioner shall return the vehicle or conveyance to its owner or operator as soon as possible without need for court order, and shall provide to such owner or operator reasonable compensation for the time during which the vehicle or conveyance is held pursuant to seizure.

Sec. 15. Minnesota Statutes 1990, section 297.01, subdivision 7, is amended to read:

Subd. 7. "Distributor" means any and each of the following:

(1) any person engaged in the business of selling cigarettes in this state and who manufactures or who brings, or causes to be brought, into this state from without the state any packages of cigarettes for sale to subjobbers or retailers;

(2) any person engaged in the business without this state who ships or transports cigarettes to retailers in this state, to be sold by those retailers;

(3) any person who is on direct purchase from a cigarette manufacturer and applies cigarette stamps or ~~indicia~~ on at least 50 percent of cigarettes sold by that person.

A distributor who also sells at retail must maintain a separate inventory, substantiated with invoices for cigarettes that were acquired for retail sale.

A distributor may transfer another state's stamped cigarettes to another distributor for the purpose of resale in the other state.

Sec. 16. Minnesota Statutes 1990, section 297.02, subdivision 1, is amended to read:

Subdivision 1. [RATES.] A tax is hereby imposed upon the sale of

cigarettes in this state or having cigarettes in possession in this state with intent to sell and upon any person engaged in business as a distributor thereof, at the following rates, subject to the discount provided in section 297.03:

(1) On cigarettes weighing not more than three pounds per thousand, ~~19~~ 21.5 mills on each such cigarette;

(2) On cigarettes weighing more than three pounds per thousand, ~~38~~ 43 mills on each such cigarette.

Sec. 17. Minnesota Statutes 1990, section 297.03, subdivision 1, is amended to read:

Subdivision 1. [STAMP PUT ON BY DISTRIBUTOR.] Except as otherwise provided in this section payment of the tax imposed by section 297.02 shall be evidenced by stamps affixed to each package. Before delivering, or causing to be delivered, any package to any person in this state, every distributor shall firmly affix to each package of cigarettes appropriate stamps in amounts equal to the tax on those cigarettes as provided for in section 297.02.

Sec. 18. Minnesota Statutes 1990, section 297.03, subdivision 2, is amended to read:

Subd. 2. [TIME OF AFFIXING STAMP.] The commissioner may require, in all cases where cigarettes are shipped into this state by any licensed distributor from without this state, that the appropriate stamp shall be affixed to the package at the time the same enters this state.

Sec. 19. Minnesota Statutes 1990, section 297.03, subdivision 4, is amended to read:

Subd. 4. [STAMPS; DESIGN, PRINTING.] The commissioner shall adopt the design of ~~the two stamps and~~ One stamp shall be designed for application to cigarette packages destined for retail sale on an Indian reservation which is a party to an agreement pursuant to section 270.60, subdivision 2, and only to those packages. A second stamp shall be designed for all other cigarette packages subject to the provisions of this chapter. The commissioner shall arrange for the printing thereof in such amounts and denominations as the commissioner deems necessary.

Sec. 20. Minnesota Statutes 1990, section 297.03, subdivision 5, is amended to read:

Subd. 5. [SALE OF STAMPS.] The commissioner shall sell stamps to any person licensed as a distributor at a discount of ~~1-25~~ 1.1 percent from the face amount of the stamps for the first \$1,500,000

of such stamps purchased in any fiscal year; and at a discount of .75 .65 percent on the remainder of such stamps purchased in any fiscal year. The commissioner shall not sell stamps to any other person. The commissioner may prescribe the method of shipment of the stamps to the distributor as well as the quantities of stamps purchased.

Sec. 21. Minnesota Statutes 1990, section 297.03, subdivision 6, is amended to read:

Subd. 6. [TAX METER MACHINES; STAMPING MACHINES.]

~~(a) Before July 1, 1990, the commissioner may authorize any person licensed as a distributor to stamp packages with a tax meter machine, approved by the commissioner, which shall be provided by the distributor. The commissioner may provide for the use of such a machine by the distributor, supervise and check its operation, provide for the payment of the tax on any package so stamped, subject to the discount provided in subdivision 5.~~

~~(b) After June 30, 1990, The commissioner shall require any person licensed as a distributor to stamp packages with a heat-applied tax stamping machine, approved by the commissioner, which shall be provided by the distributor. The commissioner shall supervise and check the operation of the machines and shall provide for the payment of the tax on any package so stamped, subject to the discount provided in subdivision 5. The commissioner may sell heat-applied stamps on a credit basis under conditions prescribed by the commissioner. The stamps shall be sold by the commissioner at a price which includes the tax after giving effect to the discount provided in subdivision 5. The commissioner shall recover the actual costs of the stamps from the distributor.~~

~~(e) (b) If the commissioner finds that a stamping machine is not affixing a legible stamp on the package, the commissioner may order the distributor to immediately cease the stamping process until the machine is functioning properly.~~

~~(d) (c) The commissioner shall annually establish the maximum amount of heat applied stamps that may be purchased each month. Notwithstanding any other provisions of this chapter, the tax due on the return will be based upon actual heat applied stamps purchased during the reporting period.~~

Sec. 22. Minnesota Statutes 1990, section 297.07, subdivision 5, is amended to read:

Subd. 5. [OFFSET.] Upon audit, if a distributor's return reflects an overage resulting from an inventory counting error, the overage shall be offset against a shortage, if any, in the month immediately preceding the month of the overage. If any overage remains after that offset, the remainder may only be offset against a shortage, if

any, in the month immediately following the month of the overage. If the commissioner determines that the overage is attributable to a mistake by the distributor other than an inventory counting error, the commissioner may permit the overage to be offset against a shortage in any month or months during the 12-month period immediately following the month when the overage was discovered upon audit.

Sec. 23. Minnesota Statutes 1990, section 297.08, subdivision 1, is amended to read:

Subdivision 1. [CONTRABAND DEFINED.] The following are declared to be contraband:

(1) All packages which do not have stamps affixed to them as provided in sections 297.01 to 297.13 and all devices for the vending of cigarettes in which such unstamped packages are found, including all contents contained within the devices.

(2) Any device for the vending of cigarettes and all packages of cigarettes contained therein, where the device does not afford at least partial visibility of contents. Where any package exposed to view does not carry the stamp required by sections 297.01 to 297.13, it shall be presumed that all packages contained in the device are unstamped and contraband.

(3) Any device for the vending of cigarettes to which the commissioner or authorized agents have been denied access for the inspection of contents. In lieu of seizure, the commissioner or an agent may seal the device to prevent its use until inspection of contents is permitted.

(4) Any device for the vending of cigarettes which does not carry the name and address of the owner, plainly marked and visible from the front of the machine.

(5) Any device including, but not limited to, motor vehicles, trailers, snowmobiles, airplanes, and boats used with the knowledge of the owner or of a person operating with the consent of the owner for the storage or transportation of more than 5,000 cigarettes which are contraband under this subdivision. When cigarettes are being transported in the course of interstate commerce, or are in movement from either a public warehouse to a distributor upon orders from a manufacturer or distributor, or from one distributor to another, the cigarettes are not contraband, notwithstanding the provisions of clause (1).

(6) All packages obtained in violation of section 297.11, subdivision 6.

(7) All packages offered for sale or held as inventory in violation of section 297.11, subdivision 7.

Sec. 24. Minnesota Statutes 1990, section 297.11, subdivision 1, is amended to read:

~~Subdivision 1. [COUNTERFEITING, TAMPERING WITH TAX METER.]~~ No person shall, with intent to defraud the state, make, alter, forge, or counterfeit any license or stamp provided for in sections 297.01 to 297.13 or have in possession any forged, spurious, or altered stamps, ~~or tamper with or reset any tax meter machine with the intent, or with the result, of depriving the state of the tax imposed by sections 297.01 to 297.13.~~

Sec. 25. Minnesota Statutes 1990, section 297.11, is amended by adding a subdivision to read:

Subd. 6. [PROHIBITION AGAINST SALES BY UNLICENSED SELLERS.] No retailer or subjobber shall purchase cigarettes from any person who is not licensed under section 297.04 as a cigarette distributor or subjobber.

Sec. 26. Minnesota Statutes 1990, section 297.11, is amended by adding a subdivision to read:

Subd. 7. [SALE OF PACKAGES WITH INDIAN STAMP.] No retailer doing business off of an Indian reservation shall offer for sale or possess as inventory packages affixed with the stamp designed for Indian reservations.

Sec. 27. Minnesota Statutes 1990, section 297.32, subdivision 1, is amended to read:

Subdivision 1. A tax is hereby imposed upon all tobacco products in this state and upon any person engaged in business as a distributor thereof, at the rate of 35 45 percent of the wholesale sales price of such tobacco products. Such tax shall be imposed at the time the distributor (1) brings, or causes to be brought, into this state from without the state tobacco products for sale; (2) makes, manufactures, or fabricates tobacco products in this state for sale in this state; or (3) ships or transports tobacco products to retailers in this state, to be sold by those retailers.

Sec. 28. Minnesota Statutes 1990, section 297.32, subdivision 2, is amended to read:

Subd. 2. A tax is hereby imposed upon the use or storage by consumers of tobacco products in this state, and upon such consumers, at the rate of 35 45 percent of the cost of such tobacco products.

The tax imposed by this subdivision shall not apply if the tax imposed by subdivision 1 on such tobacco products has been paid.

This tax shall not apply to the use or storage of tobacco products in quantities of:

1. not more than 50 cigars;
2. not more than ten oz. snuff or snuff powder;
3. not more than one lb. smoking or chewing tobacco or other tobacco products not specifically mentioned herein, in the possession of any one consumer.

Sec. 29. Minnesota Statutes 1990, section 297.35, subdivision 1, is amended to read:

Subdivision 1. On or before the 18th day of each calendar month every distributor with a place of business in this state shall file a return with the commissioner showing the quantity and wholesale sales price of each tobacco product (1) brought, or caused to be brought, into this state for sale; and (2) made, manufactured, or fabricated in this state for sale in this state, during the preceding calendar month. Every licensed distributor outside this state shall in like manner file a return showing the quantity and wholesale sales price of each tobacco product shipped or transported to retailers in this state to be sold by those retailers, during the preceding calendar month. Returns shall be made upon forms furnished and prescribed by the commissioner and shall contain such other information as the commissioner may require. Each return shall be accompanied by a remittance for the full tax liability shown therein, less 1.5 1.2 percent of such liability as compensation to reimburse the distributor for expenses incurred in the administration of sections 297.31 to 297.39.

Sec. 30. [297.385] [PROHIBITION.]

Subdivision 1. [SALES BY UNLICENSED SELLERS.] No retailer or subjobber shall purchase tobacco products from any person who is not licensed under section 297.33 as a tobacco products distributor or subjobber.

Subd. 2. [SEIZURE.] Tobacco products purchased in violation of subdivision 1 may be seized by the commissioner or authorized agents or by any sheriff or other police officer, with or without process, and shall be subject to forfeiture as provided in section 297.08, subdivision 3.

Sec. 31. Minnesota Statutes 1990, section 297.43, is amended by adding a subdivision to read:

Subd. 10. [STATUTE OF LIMITATIONS.] Notwithstanding section 628.26, or other provision of the criminal laws of this state, an indictment may be found and filed or a complaint filed upon a criminal offense specified in this chapter, in the proper court within six years after the offense is committed.

Sec. 32. Minnesota Statutes 1990, section 297C.03, subdivision 6, is amended to read:

Subd. 6. [INFORMATIONAL RETURNS.] Manufacturers, wholesalers, and importers licensed to ship distilled spirits or wine into Minnesota shall file with the commissioner a monthly informational report on a form prescribed by the commissioner. No payment of any tax is required to be remitted with this report. The report must be filed on or before the tenth day following the end of each calendar month, regardless of whether or not any shipments were made into Minnesota during the previous month, unless the commissioner determines that a longer filing period is appropriate for a particular manufacturer, wholesaler, or importer. A person failing to file this monthly report is subject to the provisions of section 297C.14, subdivision 8.

Sec. 33. Minnesota Statutes 1990, section 297C.10, is amended by adding a subdivision to read:

Subd. 3. [PHYSICAL INVENTORY.] The commissioner of revenue or the commissioner's authorized agents may, upon request but not more than twice annually, require a brewer, manufacturer, wholesaler, or retailer to furnish a physical inventory of all wine and distilled spirits in stock. The inventory must contain the information that the commissioner requests and must be certified by an officer of the corporation.

Sec. 34. Minnesota Statutes 1990, section 297D.01, subdivision 3, is amended to read:

Subd. 3. "Dealer" "Tax obligor" or "obligor" means a person who in violation of Minnesota law manufactures, produces, ships, transports, or imports into Minnesota or in any manner acquires or possesses more than 42-1/2 grams of marijuana, or seven or more grams of any controlled substance, or ten or more dosage units of any controlled substance which is not sold by weight. A quantity of marijuana or other controlled substance is measured by the weight of the substance whether pure or impure or dilute, or by dosage units when the substance is not sold by weight, in the dealer's tax obligor's possession. A quantity of a controlled substance is dilute if it consists of a detectable quantity of pure controlled substance and any excipients or fillers.

Sec. 35. Minnesota Statutes 1990, section 297D.02, is amended to read:

297D.02 [ADMINISTRATION.]

The commissioner of revenue shall administer this chapter. Payments required by this chapter must be made to the commissioner on the form provided by the commissioner. Dealers Tax obligors are not required to give their name, address, social security number, or other identifying information on the form. The commissioner shall collect all taxes under this chapter.

Sec. 36. Minnesota Statutes 1990, section 297D.04, is amended to read:

297D.04 [TAX PAYMENT REQUIRED FOR POSSESSION.]

No dealer tax obligor may possess any marijuana or controlled substance upon which a tax is imposed by section 297D.08 unless the tax has been paid on the marijuana or other controlled substance as evidenced by a stamp or other official indicia.

Sec. 37. Minnesota Statutes 1990, section 297D.05, is amended to read:

297D.05 [NO IMMUNITY.]

Nothing in this chapter may in any manner provide immunity for a dealer tax obligor from criminal prosecution pursuant to Minnesota law.

Sec. 38. Minnesota Statutes 1990, section 297D.07, is amended to read:

297D.07 [MEASUREMENT.]

For the purpose of calculating the tax under section 297D.08, a quantity of marijuana or other controlled substance is measured by the weight of the substance whether pure or impure or dilute, or by dosage units when the substance is not sold by weight, in the dealer's tax obligor's possession. A quantity of a controlled substance is dilute if it consists of a detectable quantity of pure controlled substance and any excipients or fillers.

Sec. 39. Minnesota Statutes 1990, section 297D.09, subdivision 1, is amended to read:

Subdivision 1. [PENALTIES.] Any dealer tax obligor violating this chapter is subject to a penalty of 100 percent of the tax in addition to the tax imposed by section 297D.08. The penalty will be collected as part of the tax.

Sec. 40. Minnesota Statutes 1990, section 297D.09, subdivision 1a, is amended to read:

Subd. 1a. [CRIMINAL PENALTY; SALE WITHOUT AFFIXED STAMPS.] In addition to the tax penalty imposed, a dealer tax obligor distributing or possessing marijuana or controlled substances without affixing the appropriate stamps, labels, or other indicia is guilty of a crime and, upon conviction, may be sentenced to imprisonment for not more than seven years or to payment of a fine of not more than \$14,000, or both.

Sec. 41. Minnesota Statutes 1990, section 297D.11, is amended to read:

297D.11 [PAYMENT DUE.]

Subdivision 1. [STAMPS AFFIXED.] When a dealer tax obligor purchases, acquires, transports, or imports into this state marijuana or controlled substances on which a tax is imposed by section 297D.08, and if the indicia evidencing the payment of the tax have not already been affixed, the dealer tax obligor shall have them permanently affixed on the marijuana or controlled substance immediately after receiving the substance. Each stamp or other official indicia may be used only once.

Subd. 2. [PAYABLE ON POSSESSION.] Taxes imposed upon marijuana or controlled substances by this chapter are due and payable immediately upon acquisition or possession in this state by a dealer tax obligor.

Sec. 42. Minnesota Statutes 1990, section 297D.12, subdivision 1, is amended to read:

Subdivision 1. [ASSESSMENT PROCEDURE.] An assessment for a dealer tax obligor not possessing valid stamps or other official indicia showing that the tax has been paid shall be considered a jeopardy assessment or collection, as provided in section 270.70. The commissioner shall assess a tax and applicable penalties based on personal knowledge or information available to the commissioner; mail the taxpayer at the taxpayer's last known address or serve in person, a written notice of the amount of tax and penalty; demand its immediate payment; and, if payment is not immediately made, collect the tax and penalty by any method prescribed in chapter 270, except that the commissioner need not await the expiration of the times specified in chapter 270.

Sec. 43. Minnesota Statutes 1990, section 297D.13, subdivision 1, is amended to read:

Subdivision 1. [DISCLOSURE PROHIBITED.] Notwithstanding

any law to the contrary, neither the commissioner nor a public employee may reveal facts contained in a report or return required by this chapter or any information obtained from a dealer tax obligor; nor can any information contained in such a report or return or obtained from a dealer tax obligor be used against the dealer tax obligor in any criminal proceeding, unless independently obtained, except in connection with a proceeding involving taxes due under this chapter from the dealer tax obligor making the return.

Sec. 44. Minnesota Statutes 1990, section 297D.13, subdivision 3, is amended to read:

Subd. 3. [STATISTICS.] This section does not prohibit the commissioner from publishing statistics that do not disclose the identity of dealers tax obligors or the contents of particular returns or reports.

Sec. 45. Minnesota Statutes 1990, section 297D.14, is amended to read:

297D.14 [INVESTIGATORY POWERS.]

For the purpose of determining the correctness of any return, determining the amount of tax that should have been paid, determining whether or not the dealer tax obligor should have made a return or paid taxes, or collecting any taxes under this chapter, the commissioner may examine, or cause to be examined, any books, papers, records, or memoranda, that may be relevant to making such determinations, whether the books, papers, records, or memoranda, are the property of or in the possession of the dealer tax obligor or another person. The commissioner may require the attendance of any person having knowledge or information that may be relevant, compel the production of books, papers, records, or memoranda by persons required to attend, take testimony on matters material to the determination, and administer oaths or affirmations. Upon demand of the commissioner or any examiner or investigator, the court administrator of any court shall issue a subpoena for the attendance of a witness or the production of books, papers, records, and memoranda. The commissioner may also issue subpoenas. Disobedience of subpoenas issued under this chapter is punishable by the district court of the district in which the subpoena is issued, or, if the subpoena is issued by the commissioner, by the district court of the district in which the party served with the subpoena is located, in the same manner as contempt of district court.

Sec. 46. Minnesota Statutes 1990, section 325D.32, subdivision 10, is amended to read:

Subd. 10. (a) "Cost to wholesaler" means the basic cost of the cigarettes, prior to deducting manufacturer's timely payment and stamping discounts and any other discounts or rebates, plus the cost

of doing business by the wholesaler, as defined in sections 325D.30 to 325D.42.

(b) In the absence of proof of a lesser or higher cost, the cost of doing business by the wholesaler is presumed to be four percent of the basic cost of the cigarettes, plus cartage to the retail outlet, if furnished or paid for by the wholesaler, in the absence of proof of a lesser or higher cost. Such cartage cost is presumed to be one-half of one percent of the basic cost of the cigarettes in the absence of proof of a lesser or higher cost. A manufacturer's timely payment and stamping discounts and any other discounts or rebates shall not be deducted in determining the cost of doing business by the wholesaler, whether it is determined under the percentage formula set forth in this paragraph or proof of actual cost.

(c) A wholesaler electing to sell cigarettes at a price other than that presumed by law must submit to the commissioner documentation substantiating the actual cost of the cigarettes before selling at actual cost. For purposes of this paragraph "actual cost" means basic cost as defined in subdivision 9 plus the wholesaler's cost of doing business. The commissioner shall review the documents submitted and, if necessary, request additional documentation to verify the accuracy of the cost computations. If, within 15 days of submission of the documentation, the commissioner has not notified the wholesaler of any deficiencies in the cost computations, the wholesaler may begin selling at actual cost. The cost computations are effective for a period of not more than 12 months beginning 15 days after submission of the documentation. Fifteen days before expiration of the 12-month period, the wholesaler must submit new cost documentation for review by the commissioner to continue selling at less than the price presumed by law. New cost documentation must also be submitted to the commissioner on the last day of a month in which the basic cost of cigarettes increases.

Sec. 47. [325D.405] [INVESTIGATIONS.]

The commissioner or duly authorized agents may conduct investigations to determine compliance with the provisions of sections 325D.30 to 325D.42 and, in connection with such investigations, the commissioner and duly authorized agents have all the powers conferred upon the commissioner by section 270.06.

Sec. 48. Minnesota Statutes 1990, section 325D.415, is amended to read:

325D.415 [CIGARETTE DISTRIBUTOR FEES.]

A cigarette distributor as defined in section 297.01, subdivision 7, shall pay to the commissioner an annual fee as follows:

(1) a fee of \$2,500 is due from those distributors whose annual cigarette tax collections exceed \$2,000,000; and

(2) a fee of \$1,200 is due from those distributors whose annual cigarette tax collections are \$2,000,000 or less.

The annual fee must be paid by December 31 of each year. If the fee is not paid when due, the commissioner shall revoke or refuse to issue or renew the license under chapter 297. The annual fee must be deposited into the general fund, and is available upon appropriation to the commissioner of revenue to be used for the administration and enforcement of sections 325D.30 to 325D.415.

Sec. 49. [451.10] [MUNICIPAL FRANCHISE FEES.]

Subdivision 1. [AUTHORITY.] A municipality may contract with a public utility furnishing natural, manufactured, or mixed gas, or electricity in the municipality to obtain a license or franchise in accordance with the ordinances or regulations of the municipality and to pay a franchise fee, not exceeding three percent, based on the gross operating revenues or gross earnings from the utility's operations in the municipality. If a municipality imposes a franchise fee under this section, the fee must be imposed at the same rate on each public utility furnishing natural, manufactured, or mixed gas or electricity in the municipality.

Subd. 2. [EXEMPTION.] The gross earnings or operating revenues from the utility's operations in the municipality do not include (1) revenue derived from the sale of natural, manufactured or mixed gas, or electricity by the public utility to another public utility for resale; or (2) revenues of the public utility which the municipality and the public utility agree are subject to competition from other energy sources that are not subject to the franchise fee.

Subd. 3. [DEFINITIONS.] "Public utility" has the meaning given in section 216B.02, except it also includes (1) a cooperative electric association organized under chapter 308A, and (2) a public utility whose total natural gas business consists of supplying natural, manufactured or mixed gas to no more than 650 customers within the municipality.

"Municipality" means a statutory or home rule charter city or a county for earnings derived from service provided in the unincorporated area of the county.

Subd. 4. [PREEMPTION.] (a) The provisions of this section are the exclusive authority for municipalities to collect fees on electricity or gas utility franchises or licenses. This section does not affect the validity of a franchise or license imposing a fee or charge enacted before June 1, 1991, and such a franchise or license remains

effective, except that the municipality may not increase the rate of the charge after June 1, 1991. If a utility franchise expires or otherwise terminates and the franchise fee was imposed at a rate higher than three percent, the municipality may impose a fee for a new franchise to provide the same utility service at the same or a lower rate.

(b) This section shall not be construed to preempt the regulation of public utilities under other state or federal law.

Sec. 50. Laws 1987, chapter 268, article 11, section 12, is amended to read:

Sec. 12. [EFFECTIVE DATE.]

Sections 1 to 3 and 6 to 11, paragraph (a), are effective for all tax years after December 31, 1986. Section 11, paragraph (b), is effective beginning calendar year ~~1992~~ 1994.

Sec. 51. [FLOOR STOCKS TAXES.]

Subdivision 1. [CIGARETTES.] A floor stocks tax is imposed on every person engaged in business in this state as a distributor, retailer, subjobber, vendor, manufacturer, or manufacturer's representative of cigarettes, on the stamped cigarettes in the person's possession or under the person's control at 12:01 a.m. on July 1, 1991. The tax is imposed at the following rates:

(1) on cigarettes weighing not more than three pounds a thousand, 2.5 mills on each cigarette;

(2) on cigarettes weighing more than three pounds a thousand, 5 mills on each cigarette.

Each distributor, by July 8, 1991, shall file a report with the commissioner, in the form the commissioner prescribes, showing the cigarettes on hand at 12:01 a.m. on July 1, 1991, and the amount of tax due on them. The tax imposed by this section is due and payable by August 1, 1991, and after that date bears interest at the rate of one percent a month.

Each retailer, subjobber, vendor, manufacturer, or manufacturer's representative shall file a return with the commissioner, in the form the commissioner prescribes, showing the cigarettes on hand at 12:01 a.m. on July 1, 1991, and pay the tax due thereon by August 1, 1991. Tax not paid by the due date bears interest at the rate of one percent a month.

Subd. 2. [TOBACCO PRODUCTS.] A floor stocks tax is imposed on every person engaged in business in this state as a distributor of

tobacco products, at the rate of ten percent of the wholesale sales price of each tobacco product in the person's possession or under the person's control at 12:01 a.m. on July 1, 1991.

Each distributor, by July 8, 1991, shall file a report with the commissioner, in the form the commissioner prescribes, showing the tobacco products on hand at 12:01 a.m. on July 1, 1991, and the amount of tax due on them. The tax imposed by this section is due and payable by August 1, 1991, and after that date bears interest at the rate of one percent a month.

Subd. 3. [AUDIT AND ENFORCEMENT.] The taxes imposed by this section are subject to the audit, assessment, and collection provisions applicable to the taxes imposed under chapter 297C. The commissioner may require a distributor to receive and maintain copies of floor stocks tax returns filed by all persons requesting a credit for returned cigarettes.

Subd. 4. [DEPOSIT OF PROCEEDS.] The revenue from the tax imposed under this section shall be deposited by the commissioner in the state treasury and credited to the general fund.

Sec. 52. [REPEALER.]

Minnesota Statutes 1990, section 296.028, is repealed.

Sec. 53. [EFFECTIVE DATE.]

Section 1 is effective retroactive to August 1, 1990. Sections 5, 16, 20, 27, 28, 29, 32, and 33 are effective July 1, 1991. Section 6 is effective for calendar years beginning after December 31, 1990. Sections 8 to 13 are effective for permits issued after June 30, 1991. Sections 14 and 22 are effective the day following final enactment. Section 31 is effective for offenses committed after June 30, 1988. Sections 17 to 19, 23, 25, 26, and 30 are effective January 1, 1992.

ARTICLE 9

TAX INCREMENT FINANCING

Section 1. Minnesota Statutes 1990, section 273.1399, subdivision 1, is amended to read:

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

(a) "Qualifying captured tax capacity" means the following amounts:

(1) the captured tax capacity of a new or the expanded part of an existing economic development or soils condition tax increment financing district, other than a qualified manufacturing district, for which certification was requested after April 30, 1990; and

(2) the captured tax capacity of a qualified manufacturing district, multiplied by the following percentage based on the number of years that have elapsed since the district was first certified (measured from January 2 immediately preceding certification of the original tax capacity). In no case may the final amounts be less than zero or greater than the total captured tax capacity of the district:

<u>Number of Years</u>	<u>Percentage</u>
<u>1</u>	<u>0</u>
<u>2</u>	<u>20</u>
<u>3</u>	<u>40</u>
<u>4</u>	<u>60</u>
<u>5</u>	<u>80</u>
<u>6 or more</u>	<u>100;</u>

(3) the captured tax capacity of a new or the expanded part of an existing tax increment financing district, other than an economic development or soils condition district, for which certification was requested after April 30, 1990, multiplied by the following percentage based on the number of years that have elapsed since the district was first certified (measured from January 2 immediately preceding certification of the original tax capacity). In no case may the final amounts be less than zero or greater than the total captured tax capacity of the district.

<u>Number of years</u>	<u>Renewal and Renovation Districts</u>	<u>All other Districts</u>
<u>0 to 5</u>	<u>0</u>	<u>0</u>
<u>6</u>	<u>12.5</u>	<u>6.25</u>
<u>7</u>	<u>25</u>	<u>12.5</u>
<u>8</u>	<u>37.5</u>	<u>18.75</u>
<u>9</u>	<u>50</u>	<u>25</u>
<u>10</u>	<u>62.5</u>	<u>31.25</u>
<u>11</u>	<u>75</u>	<u>37.5</u>
<u>12</u>	<u>87.5</u>	<u>43.75</u>
<u>13</u>	<u>100</u>	<u>50</u>
<u>14</u>	<u>100</u>	<u>56.25</u>
<u>15</u>	<u>100</u>	<u>62.5</u>
<u>16</u>	<u>100</u>	<u>68.75</u>
<u>17</u>	<u>100</u>	<u>75</u>
<u>18</u>	<u>100</u>	<u>81.25</u>
<u>19</u>	<u>100</u>	<u>87.5</u>
<u>20</u>	<u>100</u>	<u>93.75</u>
<u>21 or more</u>	<u>100</u>	<u>100</u>

In the case of a hazardous substance subdistrict, the number of years must be measured from the date of certification of the subdistrict for purposes of the additional captured tax capacity resulting from the reduction in the subdistrict's or site's original tax capacity.

(b) The terms defined in section 469.174 have the meanings given in that section.

(c) "Qualified manufacturing district" means an economic development district that qualifies under section 469.176, subdivision 4c, paragraph (a), without regard to clauses (2) and (4), for which certification was requested after June 30, 1991, located in a home rule charter or statutory city that (1) has a population under 10,000 according to the last federal census and (2) is wholly located outside of a metropolitan statistical area as determined by the United States Office of Management and Budget.

Sec. 2. Minnesota Statutes 1990, section 273.1399, subdivision 3, is amended to read:

Subd. 3. [CALCULATION OF EDUCATION AIDS.] For each school district containing qualifying captured tax capacity, the commissioner of education shall compute a hypothetical state aid amount that would be paid to the school district if the qualifying captured tax capacity were divided by the sales ratio and included in the school district's adjusted tax capacity for purposes of calculating equalized levies as defined in section 273.1398, subdivision 2a, and associated state aids. The commissioner of education shall notify the commissioner of revenue of the difference between the actual aid paid and the hypothetical aid amounts calculated for each school district, broken down by the municipality that approved the tax increment financing district containing the qualifying captured tax capacity. The resulting amount is the reduction in state tax increment financing aid.

Sec. 3. Minnesota Statutes 1990, section 469.012, subdivision 8, is amended to read:

Subd. 8. [INTEREST REDUCTION PROGRAM; LIMITATIONS.] In developing the interest reduction program authorized by subdivision 7 the authority shall consider:

(1) the availability and affordability of other governmental programs;

(2) the availability and affordability of private market financing; and

(3) the need for additional affordable mortgage credit to encourage

the construction and enable the purchase of housing units within the jurisdiction of the authority.

The authority shall adopt rules for the interest reduction program. Interest reduction assistance shall not be provided if the authority determines that financing for the purchase of a housing unit or for the construction or rehabilitation of housing units is otherwise available from private lenders upon terms and conditions that are affordable by the applicant, as provided by the authority in its rules.

For the purposes of this subdivision an "assisted housing unit" is a housing unit which is rented or to be rented and which is a part of a rental housing development where the financing for the rental housing development is assisted with interest reduction assistance provided by the authority during the calendar year. If interest reduction assistance is provided for construction period interest for a rental housing development, the housing units in the housing development shall be considered assisted housing units for a period after occupancy of the housing units which is equal to the period during which interest reduction assistance is provided to assist the construction financing of the rental housing development. In any calendar year when an authority provides interest reduction assistance for assisted housing units (1) at least 20 percent of the total assisted housing units within the jurisdiction of the authority shall be held available for rental to families or individuals with an adjusted gross income which is equal to or less than 80 percent of the median family income, and (2) at least an additional 55 percent of the total assisted housing units within the jurisdiction of the authority shall be held available for rental to individuals or families with an annual adjusted gross income which is equal to or less than 66 times 120 percent of the monthly fair market rent for the unit established by the United States Department of Housing and Urban Development. At least 80 percent of the aggregate dollar amount of funds appropriated by an authority within any calendar year to provide interest reduction assistance for financing of construction, rehabilitation, or purchase of single family housing, as that term is defined in section 462C.02, subdivision 4, shall be appropriated for housing units that are to be sold to or occupied by families or individuals with an adjusted gross income which is equal to or less than 110 percent of median family income. For the purposes of this subdivision, "median family income" means the median family income established by the United States Department of Housing and Urban Development for the nonmetropolitan county or the standard metropolitan statistical area, as the case may be. The adjusted gross income may must be adjusted by the authority for family size. The limitations imposed upon assisted housing units by this subdivision do not apply to interest reduction assistance for a rental housing development located in a targeted area as defined in section 462C.02. An authority that establishes a program pursuant to this subdivision shall by January 2 each year report to the commissioner

of trade and economic development a description of the program established and a description of the recipients of interest reduction assistance.

Sec. 4. Minnesota Statutes 1990, section 469.174, subdivision 7, is amended to read:

Subd. 7. [ORIGINAL NET TAX CAPACITY.] (a) Except as provided in paragraph (b), "original net tax capacity" means the tax capacity of all taxable real property within a tax increment financing district as ~~most recently~~ certified by the commissioner of revenue ~~as of the date of~~ for the previous assessment year, provided that the request by an authority for certification ~~by of a new tax increment financing district or for the expansion of an existing district has been made to the county auditor, by June 30. The original tax capacity of districts for which requests are filed after June 30 has an original tax capacity based on the current assessment year. In any case, the original tax capacity must be determined together with subsequent adjustments as set forth in section 469.177, subdivisions 1 and 4. In determining the original net tax capacity the net tax capacity of real property exempt from taxation at the time of the request shall be zero, except for real property which is tax exempt by reason of public ownership by the requesting authority and which has been publicly owned for less than one year prior to the date of the request for certification, in which event the net tax capacity of the property shall be the net tax capacity as most recently determined by the commissioner of revenue.~~

(b) The original net tax capacity of any designated hazardous substance site or hazardous substance subdistrict shall be determined as of the date the authority certifies to the county auditor that the authority has entered a redevelopment or other agreement for the removal actions or remedial actions specified in a development response action plan, or otherwise provided funds to finance the development response action plan. The original net tax capacity equals (i) the net tax capacity of the parcel or parcels in the site or subdistrict, as most recently determined by the commissioner of revenue, less (ii) the estimated costs of the removal actions and remedial actions as specified in a development response action plan to be undertaken with respect to the parcel or parcels, (iii) but not less than zero.

(c) The original net tax capacity of a hazardous substance site or subdistrict shall be increased by the amount by which it was reduced pursuant to paragraph (b), clause (ii), upon certification by the municipality that the cost of the removal and remedial actions specified in the development response action plan, except for long-term monitoring and similar activities, have been paid or reimbursed.

(d) For purposes of this subdivision, "real property" shall include

any property normally taxable as personal property by reason of its location on or over publicly owned property.

Sec. 5. Minnesota Statutes 1990, section 469.174, subdivision 10, is amended to read:

Subd. 10. [REDEVELOPMENT DISTRICT.] (a) "Redevelopment district" means a type of tax increment financing district consisting of a project, or portions of a project, within which the authority finds by resolution that one of the following conditions, reasonably distributed throughout the district, exists:

(1) parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, or other improvements and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance; or

(2) the property consists of vacant, unused, underused, inappropriately used, or infrequently used railyards, rail storage facilities, or excessive or vacated railroad rights-of-way.

(b) For purposes of this subdivision, "structurally substandard" shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance.

A building is not structurally substandard if it is in compliance with the building code applicable to new buildings or could be modified to satisfy the building code at a cost of less than 15 percent of the cost of constructing a new structure of the same square footage and type on the site. The municipality may find that a building is not disqualified as structurally substandard under the preceding sentence on the basis of reasonably available evidence, such as the size, type, and age of the building, the average cost of plumbing, electrical, or structural repairs, or other similar reliable evidence. If the evidence supports a reasonable conclusion that the building is not disqualified as structurally substandard, the municipality may make such a determination without an interior inspection or an independent, expert appraisal of the cost of repair and rehabilitation of the building.

A parcel is deemed to be occupied by a structurally substandard building for purposes of the finding under paragraph (a) if all of the following conditions are met:

(1) the parcel was occupied by a substandard building within

three years of the filing of the request for certification of the parcel as part of the district with the county auditor;

(2) the substandard building was demolished or removed by the authority or the demolition or removal was financed by the authority or was done by a developer under a development agreement with the authority;

(3) the authority found by resolution before the demolition or removal that the parcel was occupied by a structurally substandard building and that after demolition and clearance the authority intended to include the parcel within a district; and

(4) upon filing the request for certification of the tax capacity of the parcel as part of a district, the authority notifies the county auditor that the original tax capacity of the parcel must be adjusted as provided by section 469.177, subdivision 1, paragraph (h).

(c) For purposes of this subdivision, a parcel is not occupied by buildings, streets, utilities, or other improvements unless 15 percent of the area of the parcel contains improvements.

(d) For districts consisting of two or more noncontiguous areas, each area must qualify as a redevelopment district under paragraph (a), clauses (1) to (3), to be included in the district, and the entire area of the district must satisfy paragraph (a).

Sec. 6. Minnesota Statutes 1990, section 469.176, subdivision 1, is amended to read:

Subdivision 1. [DURATION OF TAX INCREMENT FINANCING DISTRICTS.] (a) Subject to the limitations contained in paragraphs (b) to (g), any tax increment financing district as to which bonds are outstanding, payment for which the tax increment and other revenues have been pledged, shall remain in existence at least as long as the bonds continue to be outstanding. The municipality may, at the time of approval of the initial tax increment financing plan, provide for a shorter maximum duration limit than specified in paragraphs (b) to (g). The specified limit applies in place of the otherwise applicable limit.

(b) The tax increment pledged to the payment of the bonds and interest thereon may be discharged and the tax increment financing district may be terminated if sufficient funds have been irrevocably deposited in the debt service fund or other escrow account held in trust for all outstanding bonds to provide for the payment of the bonds at maturity or date of redemption and interest thereon to the maturity or redemption date.

(c) For bonds issued pursuant to section 469.178, subdivisions 2

and 3, the full faith and credit and any taxing powers of the municipality or authority shall continue to be pledged to the payment of the bonds until the principal of and interest on the bonds has been paid in full.

(d) No tax increment shall be paid to an authority for a tax increment financing district after three years from the date of certification of the original net tax capacity of the taxable real property in the district by the county auditor ~~or after August 1, 1982, for tax increment financing districts authorized prior to August 1, 1979,~~ unless within the three-year period (1) bonds have been issued in aid of the project containing the district pursuant to section 469.178, ~~or in aid of a project pursuant to any other law,~~ except revenue bonds issued pursuant to sections 469.152 to 469.165, ~~prior to August 1, 1979,~~ or (2) the authority has acquired property within the district, or (3) the authority has constructed or caused to be constructed public improvements within the district.

(e) No tax increment shall in any event be paid to the authority (1) after 25 years from date of receipt by the authority of the first tax increment for a mined underground space development district, redevelopment district, or housing district, (2) after 15 years after receipt by the authority of the first increment for a renewal and renovation district, (3) after 12 years from approval of the tax increment financing plan for a soils condition district, and (4) after eight years from the date of the receipt, or ten years from approval of the tax increment financing plan, whichever is less, for an economic development district.

For tax increment financing districts created prior to August 1, 1979, no tax increment shall be paid to the authority after April 1, 2001, or the term of a nondefeased bond or obligation outstanding on April 1, 1990, secured by increments from the district or project area, whichever time is greater, provided that in no case will a tax increment be paid to an authority after August 1, 2009, from such a district. If a district's termination date is extended beyond April 1, 2001, because bonds were outstanding on April 1, 1990, with maturities extending beyond April 1, 2001, the following restrictions apply. No increment collected from the district may be expended after April 1, 2001, except to pay or defease (i) bonds issued before April 1, 1990, or (ii) bonds issued to refund the principal of the outstanding bonds and pay associated issuance costs, provided the average maturity of the refunding bonds does not exceed the bonds refunded.

(f) Modification of a tax increment financing plan pursuant to section 469.175, subdivision 4, shall not extend the durational limitations of this subdivision.

(g) If a parcel of a district is part of a designated hazardous substance site or a hazardous substance subdistrict, tax increment

may be paid to the authority from the parcel for longer than the period otherwise provided by this subdivision. The extended period for collection of tax increment begins on the date of receipt of the first tax increment from the parcel that is more than any tax increment received from the parcel before the date of the certification under section ~~469.175~~ 469.174, subdivision 7, paragraph (b), and received after the date of certification to the county auditor described in section ~~469.175~~ 469.174, subdivision 7, paragraph (b). The extended period for collection of tax increment is the lesser of: (1) 25 years from the date of commencement of the extended period; or (2) the period necessary to recover the costs of removal actions or remedial actions specified in a development response action plan.

(h) If a parcel located in the district has delinquent property taxes when the district terminates under the duration limits under this subdivision, the payment of the parcel's delinquent taxes made after decertification of the district are tax increments to the extent the nonpayment of property taxes caused the outstanding bonds or contractual obligations pledged to be paid by the district to be paid by sources other than tax increments or to go unpaid. The county auditor shall pay the appropriate amount to the district. The authority shall provide the county auditor with information regarding the payment of outstanding bonds or contractual obligations and any other information necessary to administer the payment, as requested by the county auditor.

Sec. 7. Minnesota Statutes 1990, section 469.1763, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the following terms have the meanings given.

(b) "Activities" means acquisition of property, clearing of land, site preparation, soils correction, removal of hazardous waste or pollution, installation of utilities, construction of public or private improvements, and other similar activities, but only to the extent that tax increment revenues may be spent for such purposes under other law. ~~Activities do not include allocated administrative expenses, but do include engineering, architectural, and similar costs of the improvements in the district.~~

(c) "Third party" means an entity other than (1) the person receiving the benefit of assistance financed with tax increments, or (2) the municipality or the development authority or other person substantially under the control of the municipality.

Sec. 8. Minnesota Statutes 1990, section 469.1763, subdivision 2, is amended to read:

Subd. 2. [EXPENDITURES OUTSIDE DISTRICT.] (a) For each tax increment financing district, an amount equal to at least 75

percent of the revenue derived from tax increments paid by properties in the district must be expended on activities in the district or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities in the district or to pay, or secure payment of, debt service on credit enhanced bonds. Not more than 25 percent of the revenue derived from tax increments paid by properties in the district may be expended, through a development fund or otherwise, on activities outside of the district but within the defined geographic area of the project except to pay, or secure payment of, debt service on credit enhanced bonds. The revenue derived from tax increments for the district that are expended on costs under section 469.176, subdivision 4h, paragraph (b), may be deducted first before calculating the percentages that must be expended within and without the district.

(b) In the case of a housing district, a housing project, as defined in section 469.174, subdivision 11, is an activity in the district.

(c) All administrative expenses are for activities outside of the district.

Sec. 9. Minnesota Statutes 1990, section 469.1763, subdivision 3, is amended to read:

Subd. 3. [FIVE-YEAR RULE.] (a) Revenues derived from tax increments are considered to have been expended on an activity within the district under subdivision 2 only if one of the following occurs:

(1) before or within five years after certification of the district, the revenues are actually paid to a third party with respect to the activity;

(2) bonds, the proceeds of which must be used to finance the activity, are issued and sold to a third party before or within five years after certification ~~and~~, the revenues are spent to repay the bonds, and the proceeds of the bonds either are, on the date of issuance, reasonably expected to be spent before the end of the later of (i) the five-year period, or (ii) a reasonable temporary period within the meaning of the use of that term under section 148(c)(1) of the Internal Revenue Code, or are deposited in a reasonably required reserve or replacement fund;

(3) binding contracts with a third party are entered into for performance of the activity before or within five years after certification of the district and the revenues are spent under the contractual obligation; or

(4) costs with respect to the activity are paid before or within five years after certification of the district and the revenues are spent to

reimburse a party for payment of the costs, including interest on unreimbursed costs.

(b) For purposes of this subdivision, bonds include subsequent refunding bonds if one of two tests is met: (1) the proceeds of the original refunded bonds were spent on activities within five years after the district was certified or (2) the original refunded bonds are issued within five years after the district was certified and the proceeds are expended on activities within a reasonable temporary period within the meaning of the use of that term under section 148(c)(1) of the Internal Revenue Code meet the requirements of paragraph (a), clause (2).

Sec. 10. Minnesota Statutes 1990, section 469.1763, subdivision 4, is amended to read:

Subd. 4. [USE OF REVENUES FOR DECERTIFICATION.] (a) Beginning with the sixth year following certification of the district, 75 percent of the revenues derived from tax increments paid by properties in the district that remain after the expenditures permitted under subdivision 3 must be used only to pay:

(1) outstanding bonds, as defined in subdivision 3, paragraphs (a), clause (2), and (b) or;

(2) contracts, as defined in subdivision 3, paragraph (a), clauses (3) and (4); or

(3) credit enhanced bonds to which the revenues derived from tax increments are pledged, but only to the extent that revenues of the district for which the credit enhanced bonds were issued are insufficient to pay the bonds and to the extent that the increments from the unrestricted 25 percent share are insufficient.

(b) When the outstanding bonds have been defeased and when sufficient money has been set aside to pay contractual obligations as defined in subdivision 3, paragraph (a), clauses (3) and (4), the district must be decertified and the pledge of tax increment discharged.

Sec. 11. Minnesota Statutes 1990, section 469.1763, is amended by adding a subdivision to read:

Subd. 5. [CREDIT ENHANCED BONDS.] Except as otherwise provided in this section, revenues derived from tax increments may be used to pay debt service on credit enhanced bonds issued to finance activities outside of the district from which the revenues are derived, regardless of when the district is created. For purposes of this subdivision, "district" includes a district or a project area for

which certification to collect increments was requested before August 1, 1979.

Sec. 12. Minnesota Statutes 1990, section 469.177, subdivision 1, is amended to read:

Subdivision 1. [ORIGINAL NET TAX CAPACITY.] (a) Upon or after adoption of a tax increment financing plan, the auditor of any county in which the district is situated shall, upon request of the authority, certify the original net tax capacity of the tax increment financing district as described in the tax increment financing plan and shall certify in each year thereafter the amount by which the original net tax capacity has increased or decreased as a result of a change in tax exempt status of property within the district, reduction or enlargement of the district or changes pursuant to subdivision 4.

(b) In the case of a mined underground space development district the county auditor shall certify the original net tax capacity as zero, plus the net tax capacity, if any, previously assigned to any subsurface area included in the mined underground space development district pursuant to section 272.04.

(c) For districts approved under section 469.175, subdivision 3, or parcels added to existing districts after May 1, 1988, if the classification under section 273.13 of property located in a district changes to a classification that has a different assessment ratio, the original net tax capacity of that property must be redetermined at the time when its use is changed as if the property had originally been classified in the same class in which it is classified after its use is changed.

(d) The amount to be added to the original net tax capacity of the district as a result of previously tax exempt real property within the district becoming taxable ~~shall be equal to~~ equals the net tax capacity of the real property as most recently assessed pursuant to section 273.18 or, if that assessment was made more than one year prior to the date of title transfer rendering the property taxable, the net tax capacity assessed by the assessor at the time of the transfer. If substantial taxable improvements were made to a parcel after certification of the district and if the property later becomes tax exempt, in whole or part, as a result of the authority acquiring the property through foreclosure or exercise of remedies under a lease or other revenue agreement, the amount to be added to the original net tax capacity of the district as a result of the property again becoming taxable is the amount of the parcel's value that was included in original net tax capacity when the parcel was first certified. The amount to be added to the original net tax capacity of the district as a result of enlargements ~~thereof shall be equal to~~ equals the net tax capacity of the added real property as most recently certified by the commissioner of revenue as of the date of modification of the tax

increment financing plan pursuant to section 469.175, subdivision 4.

(e) For districts approved under section 469.175, subdivision 3, or parcels added to existing districts after May 1, 1988, if the net tax capacity of a property increases because the property no longer qualifies under the Minnesota agricultural property tax law, section 273.111; the Minnesota open space property tax law, section 273.112; or the metropolitan agricultural preserves act, chapter 473H, or because platted, unimproved property is improved or three years pass after approval of the plat under section 273.11, subdivision 1, the increase in net tax capacity must be added to the original net tax capacity.

(f) Each year the auditor shall also add to the original net tax capacity of each economic development district an amount equal to the original net tax capacity for the preceding year multiplied by the average percentage increase in the net tax capacity market value of all property included in the economic development district during the five years prior to certification of the district.

(g) The amount to be subtracted from the original net tax capacity of the district as a result of previously taxable real property within the district becoming tax exempt, or a reduction in the geographic area of the district, shall be the amount of original net tax capacity initially attributed to the property becoming tax exempt or being removed from the district. If the net tax capacity of property located within the tax increment financing district is reduced by reason of a court-ordered abatement, stipulation agreement, voluntary abatement made by the assessor or auditor or by order of the commissioner of revenue, the reduction shall be applied to the original net tax capacity of the district when the property upon which the abatement is made has not been improved since the date of certification of the district and to the captured net tax capacity of the district in each year thereafter when the abatement relates to improvements made after the date of certification. The county auditor may specify reasonable form and content of the request for certification of the authority and any modification thereof pursuant to section 469.175, subdivision 4.

(h) If a parcel of property contained a substandard building that was demolished or removed and if the authority elects to treat the parcel as occupied by a substandard building under section 469.174, subdivision 10, paragraph (b), the auditor shall certify the original net tax capacity of the parcel using the greater of (1) the current net tax capacity of the parcel, or (2) the estimated market value of the parcel for the year in which the building was demolished or removed, but applying the class rates for the current year.

Sec. 13. Minnesota Statutes 1990, section 469.177, subdivision 8, is amended to read:

Subd. 8. [ASSESSMENT AGREEMENTS.] An authority may enter into a written assessment agreement in recordable form with a developer or redeveloper of property within the tax increment financing district which establishes any person establishing a minimum market value of the land and completed, existing improvements, or improvements to be constructed thereon until a specified termination date, which date shall be not later than the date upon which tax increment will no longer be remitted to the authority pursuant to section 469.176, subdivision 1 in a district, if the property is owned or will be owned by the person. The minimum market value established by an assessment agreement may be fixed, or increase or decrease in later years from the initial minimum market value. An assessment agreement terminates on the earliest of the date on which conditions in the assessment agreement for termination are satisfied, the termination date specified in the agreement, or the date when tax increment is no longer paid to the authority under section 469.176, subdivision 1. The assessment agreement shall be presented to the county assessor, or city assessor having the powers of the county assessor, of the jurisdiction in which the tax increment financing district and the property that is the subject of the agreement is located. The assessor shall review the plans and specifications for the improvements to be constructed, review the market value previously assigned to the land upon which the improvements are to be constructed and, so long as the minimum market value contained in the assessment agreement appears, in the judgment of the assessor, to be a reasonable estimate, shall execute the following certification upon the agreement:

The undersigned assessor, being legally responsible for the assessment of the above described property upon completion of the improvements to be constructed thereon, hereby certifies that the market value values assigned to the land and improvements upon completion shall not be less than \$..... are reasonable.

Upon transfer of title of the land to be developed or redeveloped from the authority to the developer or redeveloper, The assessment agreement, together with a copy of this subdivision, shall be filed for record and recorded in the office of the county recorder or filed in the office of the registrar of titles of the each county where the real estate or any part thereof is situated. Upon completion of the improvements by the developer or redeveloper, The assessor shall value the property pursuant to under section 273.11, except that the market value assigned thereto shall not be less than the minimum market value contained in established by the assessment agreement. Nothing herein shall limit the discretion of The assessor to may assign a market value to the property in excess of the minimum market value contained in established by the assessment agreement nor prohibit. The developer or redeveloper from seeking owner of the property may seek, through the exercise of administrative and legal remedies, a reduction in market value for property tax purposes; provided, however, that the developer or redeveloper shall not seek,

nor shall the, but no city assessor, the county assessor, the county auditor, any board of review, any board of equalization, the commissioner of revenue, or any court of this state shall grant a reduction of the market value below the minimum market value contained in established by the assessment agreement during the term of the agreement filed of record regardless of actual market values which may result from incomplete construction of improvements, destruction, or diminution by any cause, insured or uninsured, except in the case of acquisition or reacquisition of the property by a public entity. Recording or filing of an assessment agreement complying with the terms of this subdivision shall constitute constitutes notice of the agreement to any subsequent purchaser or encumbrancer of the land or any part thereof, whether voluntary or involuntary anyone who acquires any interest in the land or improvements that is subject to the assessment agreement, and shall be the agreement is binding upon them.

Sec. 14. Minnesota Statutes 1990, section 469.1771, subdivision 2, is amended to read:

Subd. 2. [COLLECTION OF INCREMENT.] If an authority includes or retains a parcel of property in a tax increment financing district that does not qualify for inclusion or retention within the district, the authority must pay to the county auditor an amount of money equal to the increment collected from the property for the year or years. The property must be eliminated from the original and captured tax capacity of the district effective for the current property tax assessment year. This subdivision does not apply to a failure to decertify a district required by at the end of the duration limits under section 469.176, subdivision 1 limit specified in the tax increment financing plan.

Sec. 15. Minnesota Statutes 1990, section 469.1771, subdivision 4, is amended to read:

Subd. 4. [LIMITATIONS.] (a) If the increments are pledged to repay bonds that were issued before the lawsuit was filed under this section, the damages under this section may not exceed the greatest greater of (1) the damages under subdivision 2 or 3, (2) ten percent of the expenditures or revenues derived from increment, or (3) (2) the amount of available revenues after paying debt services due on the bonds.

(b) The court may abate all or part of the amount if it determines the action was taken in good faith and would work an undue hardship on the municipality.

Sec. 16. Minnesota Statutes 1990, section 469.179, is amended by adding a subdivision to read:

Subd. 3. [ACT AMENDMENTS; EFFECTIVE DATE PRESUMP-

TIONS.] (a) This subdivision establishes presumptions as to the effective dates of acts amending sections 469.174 to 469.178. These rules supplement the rules under section 645.02. The rules in paragraphs (b) and (c) apply unless the act specifies a different intent as to the time of its application.

(b) If the act is effective on a date either specified by the act itself or under section 645.02, the act is effective for districts for which requests for certification are made after the specified date.

(c) If the act is effective for districts for which requests for certification are made after a specified date either under paragraph (b) or the terms of the act, the following rules apply:

(1) in the case of a district where the first request for certification is made after the specified date, the act applies in full and to the entire area of the district; and

(2) in the case of a district where the first request for certification was made on or before the specified date, the act applies only to the area of the district added by tax increment financing plan amendments for which certification is requested after the specified date.

Sec. 17. Minnesota Statutes 1990, section 469.1831, subdivision 4, is amended to read:

Subd. 4. [PROGRAM MONEY; DISTRIBUTION AND RESTRICTIONS.] (a) Neighborhood revitalization program money may only be expended in accordance with the program for a purpose listed in subdivision 3 or this subdivision. Program money may not be used in those project areas of the city where the city determines that private investment is occurring will be sufficient to provide for development and redevelopment of the project area without public sector assistance, except in cases where program money is being used to remove or rehabilitate structurally substandard or obsolete buildings. Revenues derived from tax increments may only be expended for the purposes otherwise permitted by law, except that notwithstanding any law to the contrary, the city must pay at least the following amount of program money, including revenues derived from tax increments: (1) 15 percent to the school district, (2) 7.5 percent to the county, and (3) 7.5 percent for social services. Payment must be made to the county and school district within 15 days after the city receives the distribution of increment revenues, provided that the payment for calendar year 1990 may be made at any time during the year. Payment to the county for social services delivery shall be paid only after approval of program and spending plans under paragraph (b). Payment to the school district for education programs and services shall be paid only after approval of program and spending plans under paragraph (b).

(b) The money distributed to the county in a calendar year must be

deducted from the county's levy limit for the following calendar year. In calculating the county's levy limit base for later years, the amount deducted must be treated as a local government aid payment.

The city must notify the commissioner of education of the amount of the payment made to the school district for the year. The commissioner shall deduct from the school district's state education aid payments one-half of the amount received by the school district.

The program money paid to the school district must be expended for additional education programs and services in accordance with the program. The amounts expended by the school district may not replace existing services.

The money for social services must be paid to the county for the cost of the provision of social services under the plan, as approved by the policy board and the county board.

(c) The city must expend on housing programs and related purposes as provided by the program at least 75 percent of the program money, after deducting the payments to the school district and county.

(d) Notwithstanding any other provisions of law to the contrary, for a city of the first class qualifying under section 469.1781, paragraph (a), program money may be expended anywhere within the city by the authority for a purpose permitted by this section for any political subdivision.

Sec. 18. Laws 1989, First Special Session chapter 1, article 14, section 16, is amended to read:

Sec. 16. [MOORHEAD TAX INCREMENT FINANCING.]

In the case of a tax increment financing district in the city of Moorhead created prior to August 1, 1979, and used to finance a hotel, parking facility, and conference project, the date "April 1, 1992 1994" must be substituted for "April 1, 1990" in Minnesota Statutes, section 469.176, subdivision 1, paragraph (e), each place it occurs.

Sec. 19. [FERGUS FALLS TAX INCREMENT FINANCING.]

Notwithstanding the provisions of Minnesota Statutes, section 469.177, subdivision 1, to the contrary, the net tax capacity of a tax increment financing district in the city of Fergus Falls shall be increased as a result of tax exempt property becoming taxable only by the tax capacity of the parcel at the time of its certification as part of the district, if:

(1) the property was acquired for private development;

(2) development of the property was substantially completed by April 1, 1991; and

(3) the property became taxable no later than 15 months after substantial completion of the development.

To determine the tax capacity at the time of certification, the county auditor shall use the market value assigned under Minnesota Statutes, section 273.18, and the class rates in effect at the time the property is added to the district's original net tax capacity.

Sec. 20. Laws 1990, chapter 604, article 7, section 29, subdivision 1, is amended to read:

Subdivision 1. [EXPENDITURE.] The city of Minneapolis and the Minneapolis community development agency shall reserve \$10,000,000 in 1990 and \$20,000,000 each year from 1991 to 2009 from tax increment and other revenues generated from the Minneapolis community development agency common project, adopted December 30, 1989, to be expended in neighborhood revitalization anywhere within the city of Minneapolis by the Minneapolis community development agency for any purpose permitted by Minnesota Statutes, section 469.1831, for any political subdivision, except that at least 52.5 percent of the money must be expended on housing programs and related purposes. None of these revenues shall be expended in 1990.

Sec. 21. Laws 1990, chapter 604, article 7, section 30, subdivision 7, is amended to read:

Subd. 7. [COOK COUNTY.] Section 21 does not apply to an authority in Cook county for tax increment financing districts established in a project created by law prior to April 30, 1990, if the request for certification is filed by May 1, 1992 1994.

Sec. 22. [DURATION OF DISTRICT.]

Notwithstanding the provisions of Minnesota Statutes, section 469.176, subdivision 1, paragraph (e), the duration of Dawson tax increment financing district number four may be extended by the authority for up to ten years from the enactment of this section. The duration of tax increment financing district number four may not exceed eight years after the receipt of the first tax increment. The authority may waive receipt of the tax increment for any year.

Sec. 23. [EFFECTIVE DATE.]

Sections 1, 2, 11, and 16 are effective the day following final

enactment. Section 3 is effective for interest reduction assistance authorized after July 1, 1991. Sections 5 and 12, paragraph (h), are effective for improvements demolished or removed after April 1, 1991. Section 6, paragraph (h), is effective for delinquent property taxes paid after April 1, 1991. Section 6, paragraph (d), is effective for districts for which certification is requested after June 30, 1991. Sections 4, 6, paragraph (g), 7, 8, 9, and 10 are effective for districts for which certification was requested after April 30, 1990. Sections 12, except paragraph (h), and 13 are effective the day following final enactment and apply to all tax increment financing districts regardless of when certification was requested. Sections 14 and 15 are effective for violations occurring after December 31, 1990. Section 18 is effective the day after compliance with Minnesota Statutes, section 645.021, by the governing body of the city of Moorhead. Section 19 is effective the day after compliance with Minnesota Statutes, section 645.021, by the governing body of the city of Fergus Falls. Sections 20, 21, and 22 each are effective the day after compliance with Minnesota Statutes, section 645.021, by the governing bodies of the city of Minneapolis, Cook county, and the city of Dawson respectively.

ARTICLE 10 MINING TAXES

Section 1. Minnesota Statutes 1990, section 289A.01, is amended to read:

289A.01 [APPLICATION OF CHAPTER.]

This chapter applies to taxes administered by or paid to the commissioner under chapters 290, 290A, 291, and 297A, and sections 298.01 and 298.015.

Sec. 2. Minnesota Statutes 1990, section 289A.02, is amended by adding a subdivision to read:

Subd. 6. [MINING COMPANY.] "Mining company" means a person engaged in the business of mining or producing ores in Minnesota subject to the taxes imposed by section 298.01 or 298.015.

Sec. 3. Minnesota Statutes 1990, section 289A.08, is amended by adding a subdivision to read:

Subd. 15. [MINING COMPANIES.] A mining company must file an annual return signed by a person designated by the mining company.

Sec. 4. Minnesota Statutes 1990, section 289A.18, subdivision 1, is amended to read:

Subdivision 1. [INDIVIDUAL INCOME, FIDUCIARY INCOME, CORPORATE FRANCHISE, AND ENTERTAINMENT TAXES; PARTNERSHIP AND S CORPORATION RETURNS; INFORMATION RETURNS; MINING COMPANY RETURNS.] The returns required to be made under sections 289A.08 and 289A.12 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; and

(8) returns of mining companies must be filed on May 1 following the close of the calendar year.

Sec. 5. Minnesota Statutes 1990, section 289A.19, subdivision 2, is amended to read:

Subd. 2. [CORPORATE FRANCHISE AND MINING COMPANY

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 or a mining company if:

- (1) the corporation or mining company files a tentative return when the regularly required return is due;
- (2) the corporation or mining company 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 or mining company'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.

Sec. 6. Minnesota Statutes 1990, section 289A.20, subdivision 1, is amended to read:

Subdivision 1. [INDIVIDUAL INCOME, FIDUCIARY INCOME, MINING COMPANY, CORPORATE FRANCHISE, AND ENTERTAINMENT TAXES.] (a) Individual income, fiduciary, mining company, and corporate franchise taxes must be paid to the commissioner on or before the date the return must be filed under section 289A.18, subdivision 1, or the extended due date as provided in section 289A.19, 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.18, subdivision 1.

Sec. 7. Minnesota Statutes 1990, section 289A.31, subdivision 1, is amended to read:

Subdivision 1. [INDIVIDUAL INCOME, FIDUCIARY INCOME, MINING COMPANY, CORPORATE FRANCHISE, AND ENTERTAINMENT TAXES.] (a) Individual income, fiduciary income, mining company, 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.38, 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.

Sec. 8. Minnesota Statutes 1990, section 289A.35, is amended to read:

289A.35 [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 or section 298.01. 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. 9. Minnesota Statutes 1990, section 289A.38, subdivision 12, is amended to read:

Subd. 12. [REQUEST FOR EARLY AUDIT FOR INDIVIDUAL INCOME, FIDUCIARY INCOME, MINING COMPANY, 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.31, subdivision 4, or (4) by a mining company or 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.31, subdivision 4, or by the corporation. Except as provided in section 289A.42, subdivision 1, an assessment must not be made after the expiration of 3-1/2 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 mining company or 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.

Sec. 10. Minnesota Statutes 1990, section 289A.56, subdivision 2, is amended to read:

Subd. 2. [CORPORATE FRANCHISE, MINING COMPANY, 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.

Sec. 11. Minnesota Statutes 1990, section 289A.60, subdivision 4, is amended to read:

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 mining company or 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 mining company or a corporation any tax not imposed by chapter 290 or section 298.01 or 298.015. 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.

Sec. 12. Minnesota Statutes 1990, section 298.01, subdivision 3, is amended to read:

Subd. 3. [OCCUPATION TAX; OTHER ORES.] Every person engaged in the business of mining or producing ores in this state, except iron ore or taconite concentrates, shall pay an occupation tax to the state of Minnesota as provided in this subdivision. The tax is determined in the same manner as the tax imposed by section 290.02, except that sections 290.05, subdivision 1, clause (a), and 290.17, subdivision 4, do not apply. The tax is in addition to all other taxes ~~and is due and payable on or before June 15 of the year succeeding the calendar year covered by the report required by section 298.05.~~

Sec. 13. Minnesota Statutes 1990, section 298.01, is amended by adding a subdivision to read:

Subd. 3d. [ALTERNATIVE MINIMUM TAX CREDIT.] A credit is allowed against qualified regular tax for qualified alternative minimum tax previously paid. The amount of the credit allowed under this subdivision is determined under section 290.0921, subdivision 8. For purposes of calculating this credit, the following terms have the meanings given:

(a) "Qualified alternative minimum tax" means the amount determined under subdivision 3 and section 290.0921, subdivision 1.

(b) "Qualified regular tax" means the tax imposed under subdivision 3 and section 290.06, subdivision 1.

Sec. 14. Minnesota Statutes 1990, section 298.01, subdivision 4, is amended to read:

Subd. 4. [OCCUPATION TAX; IRON ORE; TACONITE CONCENTRATES.] A person engaged in the business of mining or producing of iron ore or taconite concentrates in this state shall pay an occupation tax to the state of Minnesota. The tax is determined in the same manner as the tax imposed by section 290.02, except that sections 290.05, subdivision 1, clause (a), and 290.17, subdivision 4, do not apply. The tax is in addition to all other taxes ~~and is due and payable on or before June 15 of the year succeeding the calendar year covered by the report required by section 298.05.~~

Sec. 15. Minnesota Statutes 1990, section 298.01, is amended by adding a subdivision to read:

Subd. 4e. [ALTERNATIVE MINIMUM TAX CREDIT.] (a) A credit

is allowed against the tax imposed by subdivision 4 for the increases in occupation taxes paid in 1988, 1989, and 1990 attributable to the alternative minimum tax imposed under section 290.092 and Minnesota Statutes 1986, section 298.40. The amount of the credit allowed under this paragraph is determined under section 290.06, subdivision 21.

(b) A credit is allowed against qualified regular tax for qualified alternative minimum tax previously paid. The amount of the credit allowed under this paragraph is determined under section 290.0921, subdivision 8. For purposes of calculating this credit, the following terms have the meanings given:

(1) "Qualified alternative minimum tax" means the amount determined under subdivision 4d and section 290.0921, subdivision 1.

(2) "Qualified regular tax" means the tax imposed under subdivision 4 and section 290.06, subdivision 1.

Sec. 16. Minnesota Statutes 1990, section 298.015, subdivision 1, is amended to read:

Subdivision 1. [TAX IMPOSED.] A person engaged in the business of mining shall pay to the state of Minnesota for distribution as provided in section 298.018 a net proceeds tax equal to two percent of the net proceeds from mining in Minnesota. The tax applies to all mineral and energy resources mined or extracted within the state of Minnesota except for sand, silica sand, gravel, building stone, crushed rock, limestone, granite, dimension granite, dimension stone, horticultural peat, clay, soil, iron ore, and taconite concentrates. The tax is in addition to all other taxes provided for by law. The tax is due by June 15 of the year succeeding the calendar year covered by the report required by section 298.06.

Sec. 17. Minnesota Statutes 1990, section 298.16, is amended to read:

298.16 [TAXES TO BE CREDITED TO GENERAL FUND.]

All taxes imposed and collected under the provisions of sections 298.01 to ~~298.15~~ shall and 298.015 must be paid into the state treasury and credited to the general fund.

Sec. 18. Minnesota Statutes 1990, section 298.21, is amended to read:

298.21 [PERSON.]

For all purposes of sections 298.01 to ~~298.16~~ 298.018, the word

"person" shall be construed to include means individuals, copartnerships fiduciaries, estates, trusts, partnerships, companies, joint stock companies, corporations, and all associations, however and for whatever purpose organized.

Sec. 19. Minnesota Statutes 1990, section 298.27, is amended to read:

298.27 [COLLECTION AND PAYMENT OF TAX.]

The taxes provided by section 298.24 shall be paid directly to each eligible county and the iron range resources and rehabilitation board. The commissioner of revenue shall notify each producer of the amount to be paid each recipient prior to February 8. **Every person subject to taxes imposed by section 298.24 shall file a correct report covering the preceding year. The report must contain the information required by the commissioner. The report required by section 298.05 shall be filed on or before February 1.** A remittance equal to 90 percent of the total tax required to be paid hereunder shall be paid on or before February 15. On or before February 25, the county auditor shall make distribution of the payment received by the county in the manner provided by section 298.28. The balance due shall be paid on or before April 15 following the production year, and shall be distributed by the county auditor as provided in section 298.28 by May 15. Reports shall be made and hearings held upon the determination of the tax in accordance with procedures established by the commissioner of revenue. The commissioner of revenue shall have authority to make reasonable rules as to the form and manner of filing reports necessary for the determination of the tax hereunder, and by such rules may require the production of such information as may be reasonably necessary or convenient for the determination and apportionment of the tax. All the provisions of the occupation tax law with reference to the assessment and determination of the occupation tax, including all provisions for appeals from or review of the orders of the commissioner of revenue relative thereto, but not including provisions for refunds, are applicable to the taxes imposed by section 298.24 except in so far as inconsistent herewith. If any person subject to section 298.24 shall fail to make the report provided for in this section at the time and in the manner herein provided, the commissioner of revenue shall in such case, upon information possessed or obtained, ascertain the kind and amount of ore mined or produced and thereon find and determine the amount of the tax due from such person. There shall be added to the amount of tax due a penalty for failure to report on or before February 1, which penalty shall equal ten percent of the tax imposed and be treated as a part thereof.

If any person responsible for making a partial tax payment at the time and in the manner herein provided fails to do so, there shall be imposed a penalty equal to ten percent of the amount so due, which penalty shall be treated as part of the tax due.

In the case of any underpayment of the partial tax payment required herein, there may be added and be treated as part of the tax due a penalty equal to ten percent of the amount so underpaid.

If any portion of the taxes provided for in section 298.24 is not paid before the fifteenth day of April of the year in which due and payable, a penalty of ten percent of such unpaid portion shall immediately accrue, and thereafter one percent per month shall be added to such tax and penalty while such tax remains unpaid.

Sec. 20. [REPEALER.]

Minnesota Statutes 1990, sections 298.05; 298.06; 298.07; 298.08; 298.09; 298.10; 298.11; 298.12; 298.13; 298.14; 298.15; 298.19; and 298.20 are repealed.

Sec. 21. [EFFECTIVE DATE.]

Sections 1 to 12, 14, and 16 to 20 are effective for ores mined after December 31, 1990. Sections 13 and 15 are effective for ores mined after December 31, 1989.

ARTICLE 11

PROPERTY TAX ADMINISTRATIVE AND TECHNICAL

Section 1. Minnesota Statutes 1990, section 18.022, subdivision 2, is amended to read:

Subd. 2. [COST.] (a) To defray the cost of the activities under subdivision 1, the governing body of the political subdivision may levy a tax which, except when levied by a county, must not exceed a ~~gross local tax rate of .55 percent or a net local tax rate of .68~~ 0.01596 percent of taxable market value in any year in excess of ~~charter local tax rate limitations, but not in any event more than 50~~ cents per capita, except that the levy for the grasshopper control program under sections 18.0223 to 18.0227 is not subject to the 50 cents per capita limitation. The political subdivision may make the levy, where necessary, separate from the general levy ~~and at any time of the year.~~

(b) If, because of the prevalence of Dutch elm disease, the governing body of such a political subdivision is unable to defray the cost of control activities authorized by this section within the limits set by this subdivision, the limits set by this subdivision are increased to a ~~gross local tax rate of 1.1 percent or a net local tax rate of 1.36~~ 0.03216 percent of taxable market value, but not in any event more than one dollar per capita.

Sec. 2. Minnesota Statutes 1990, section 270.11, subdivision 6, is amended to read:

Subd. 6. [CHANGE OF NET TAX CAPACITIES MARKET VALUES.] The commissioner of revenue shall raise or lower the net tax capacity market value of any real or personal property, including the power to raise or lower the net tax capacity market value of the real or personal property of any individual, copartnership, company, association, or corporation; provided, that before any such assessment against the property of any individual, copartnership, company, association, or corporation is so raised, notice of an intention to raise such net tax capacity market value and of the time and place at which a hearing thereon will be held shall be given to such person, by mail, addressed to the person at the place of residence listed upon the assessment book, at least five days before the day of such hearing.

All relevant and material evidence concerning the net tax capacity market value of the real or personal property shall be submitted at the hearing, and the hearing shall not be a "contested case" within the meaning of section 14.02, subdivision 3. The person notified of the hearing, or any other person having an interest in the property, may present evidence and argument bearing upon the net tax capacity market value of the property.

Sec. 3. Minnesota Statutes 1990, section 270.12, is amended by adding a subdivision to read:

Subd. 5. [EQUALIZATION ORDERS.] The board of equalization may, pursuant to its responsibilities under subdivisions 2 and 3, issue orders to ensure that the results of local and county boards of equalization are consistent with the objective of state equalization. The board may issue, at its discretion, a supplemental order to amend, supersede, or correct a prior order of the board or an order of a local or county board. The supplemental order must be issued within 60 days of the order to be changed. The board may issue to a local or county board of equalization, within ten business days of the receipt of minutes of a local or county board of equalization, an order explaining the action that the state board believes will be necessary to effect the objective of state equalization.

Sec. 4. Minnesota Statutes 1990, section 272.02, subdivision 4, is amended to read:

Subd. 4. [CONVERSION TO EXEMPT OR TAXABLE USES.] (a) Any property exempt from taxation on January 2 of any year which, due to sale or other reason, loses its exemption prior to December 20 July 1 of any year, shall be placed on the current assessment rolls for that year.

The valuation shall be determined with respect to its value on

January 2 of such year. The classification shall be based upon the use to which the property was put by the purchaser, or in the event the purchaser has not utilized the property by ~~December 20~~ July 1, the intended use of the property, determined by the county assessor, based upon all relevant facts.

(b) Property subject to tax on January 2 that is acquired by a governmental entity, church, or educational institution before ~~August~~ July 1 of the year is exempt for that assessment year if (1) the property is to be used for an exempt purpose under subdivision 1, clauses (1) to (7), and (2) the property is not subject to the filing requirement under section 272.025.

Sec. 5. Minnesota Statutes 1990, section 272.025, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivision 3, a taxpayer claiming an exemption from taxation on property described in section 272.02, subdivision 1, clauses (1) to (7), ~~(10), (11), (13), (15), (16), and (18)~~, except churches and houses of worship and property solely used for educational purposes by academies, colleges, universities or seminaries of learning and property owned by the state of Minnesota or any political subdivision thereof, shall file a statement of exemption with the assessor of the assessment district in which the property is located, ~~or~~. In the case of a taxpayer claiming an exemption from taxation on property described in section 272.02, subdivision 1, clause (9), the taxpayer shall file a statement of exemption with the commissioner or revenue, on or before February 15 of each year for which the taxpayer claims an exemption. In case of sickness, absence or other disability or for good cause, the assessor may extend the time for filing the statement of exemption for a period not to exceed 60 days. The commissioner of revenue shall prescribe the form and contents of the statement of exemption.

Sec. 6. Minnesota Statutes 1990, section 272.31, is amended to read:

272.31 [LIEN OF REAL ESTATE TAXES.]

The taxes assessed upon real property shall be a perpetual lien thereon, and on all structures and standing timber thereon and on all minerals therein, from ~~and including January 2 in the year in which they are levied, until they are paid; but, the property is assessed.~~ As between grantor and grantee, such lien shall not attach until the first Monday of January of the year next thereafter.

Sec. 7. Minnesota Statutes 1990, section 272.67, subdivision 6, is amended to read:

Subd. 6. A certified copy of every ordinance, amendment, and

order adopted or entered pursuant to under this section shall be filed with the county auditor before it becomes effective. For the purposes of taxation, if the ordinance, amendment, or order is certified on or before August 1 of a levy year, it may be implemented that same levy year. If the ordinance, amendment, or order is certified after August 1 of a levy year, it may not be implemented until the following levy year. The amount of taxes levied each year by each city shall be certified to the county auditor in the manner now or hereafter provided by law. Taxes levied for payment of bonds and judgments and interest thereon shall continue to be spread upon all taxable property within the boundaries of the city in proportion to the gross net tax capacity thereof. The remaining amount of the taxes levied each year shall be allocated by the county auditor to the urban service district and the rural service district in amounts proportionate to the current benefit ratio times the current ratio between the market values of all taxable property within the urban service district and all taxable property within the rural service district. Within each district, the amount so allocated shall be spread upon all taxable property in proportion to the net tax capacity thereof.

Sec. 8. Minnesota Statutes 1990, section 273.111, subdivision 6, is amended to read:

Subd. 6. Real property shall be considered to be in agricultural use provided that annually: (1) at least 33 1/3 percent of the total family income of the owner is derived therefrom, or the total production income including rental from the property is \$300 plus \$10 per tillable acre; and (2) it is devoted to the production for sale of livestock, dairy animals, dairy products, poultry and poultry products, fur bearing animals, horticultural and nursery stock which is under sections 18.44 to 18.61, fruit of all kinds, vegetables, forage, grains, bees and apiary products by the owner, slough, wasteland, and woodland contiguous to or surrounded by land described in subdivision 3 shall be considered to be in agricultural use if under the same ownership and management agricultural products as defined in section 273.13, subdivision 23, paragraph (e).

Sec. 9. Minnesota Statutes 1990, section 273.124, subdivision 13, is amended to read:

Subd. 13. [SOCIAL SECURITY NUMBER REQUIRED FOR HOMESTEAD APPLICATION.] Every property owner applying for homestead classification must furnish to the county assessor that owner's social security number. If the social security number is not provided, the county assessor shall classify the property as nonhomestead. The social security numbers of the property owners are private data on individuals as defined by section 13.02, subdivision 12, but, notwithstanding that section, the private data may be disclosed to the commissioner of revenue.

At the request of the commissioner, each county must give the commissioner a list that includes the name and social security number of each property owner applying for homestead classification.

If, in comparing the lists supplied by the counties, the commissioner finds that a property owner is claiming more than one homestead, the commissioner shall notify the appropriate counties. Within 90 days of the notification, the county assessor shall investigate to determine if the homestead classification was properly claimed. If the property owner does not qualify, the county assessor shall notify the county auditor who will determine the amount of homestead benefits that had been improperly allowed. For the purpose of this section, "homestead benefits" means the tax reduction resulting from the classification as a homestead under section 273.13, ~~the homestead credit under section 273.1398 for taxes payable in 1990 and thereafter,~~ the taconite homestead credit under section 273.135, and the supplemental homestead credit, ~~and the tax reduction resulting from the agricultural credit under section 273.1398 for taxes payable in 1990 and thereafter under section 273.1391.~~ The county auditor shall send a notice to the owners of the affected property, demanding reimbursement of the homestead benefits plus a penalty equal to 25 50 percent of the homestead benefits. The property owners may appeal the county's determination by filing a notice of appeal with the Minnesota tax court within 60 days of the date of the notice from the county.

If the amount of homestead benefits and penalty is not paid within 60 days, and if no appeal has been filed, the county auditor shall certify the amount to the succeeding year's tax list to be collected as part of the property taxes.

Any amount of homestead benefits recovered from the property owner must be transmitted to the commissioner by the end of each calendar quarter. Any amount recovered attributable to taconite homestead credit shall be transmitted to the St. Louis county auditor to be deposited in the taconite property tax relief account. The amount of penalty collected must be deposited in the county general fund.

The commissioner will provide suggested homestead applications to each county. If a property owner has applied for more than one homestead and the county assessors cannot determine which property should be classified as homestead, the county assessors will refer the information to the commissioner. The commissioner shall make the determination and notify the counties within 60 days.

In addition to lists of homestead properties, the commissioner may ask the counties to furnish lists of all properties and the record owners.

Sec. 10. Minnesota Statutes 1990, 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.~~ The aids provided in subdivisions 2, 2b, 3, and 5 must be paid to local governments other than school districts at the times provided in section 477A.015 for payment of local government aid to taxing jurisdictions, except that the first one-half payment of disparity reduction aid provided in subdivision 3 must be paid on or before August 31. The disparity reduction credit provided in subdivision 4 must be paid to taxing jurisdictions other than school districts at the time provided in section 473H.10, subdivision 3. 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.

Sec. 11. Minnesota Statutes 1990, section 276.041, is amended to read:

276.041 [FILING TO RECEIVE NOTICE OF DELINQUENT TAXES.]

Fee owners, vendees, mortgagees, lienholders, escrow agents, and lessees of real property may file their names and current mailing addresses with the county auditor in the county where the land is located for the purpose of receiving notices affecting the land that are issued under sections 276.04, 281.23, and 279.091. A person filing shall pay a filing fee of \$15 to the county auditor for each parcel. The filing expires after three years. The county auditor shall give a copy of the list of names and addresses to the county treasurer. Taxpayers of record with the county auditor and mortgagees who remit taxes on their behalf shall receive tax statements and other notices and are not required to file and pay fees under this section.

Sec. 12. Minnesota Statutes 1990, section 277.01, is amended to read:

277.01 [WHEN TAX IS DELINQUENT; PENALTY.]

Subdivision 1. Except as provided in this subdivision and subdivision 3, 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, subdi-

vision 2, or 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 taxed under section 274.19, subdivision 8, paragraph (c).

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.

Subd. 3. [IMPROVEMENTS TO REAL PROPERTY.] Personal property taxes assessed upon improvements made to real property taxed under section 272.01, subdivision 2, or 273.19, if unpaid, become delinquent on May 16 or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later. If the tax against the improvements exceeds \$50, one-half may be paid before May 16 and the remaining one-half must be paid at any time before the following October 16, without penalty. Section 279.01, subdivision 1, otherwise governs imposition of penalties.

Sec. 13. Minnesota Statutes 1990, section 278.01, subdivision 1, is amended to read:

Subdivision 1. [DETERMINATION OF VALIDITY.] Any person having any estate, right, title, or interest in or lien upon any parcel of land, who claims that such property has been partially, unfairly, or unequally assessed in comparison with other property in the (1) city, or (2) county, or (3) in the case of a county containing a city of the first class, the portion of the county excluding the first class city, or that the parcel has been assessed at a valuation greater than its real or actual value, or that the tax levied against the same is illegal, in whole or in part, or has been paid, or that the property is exempt from the tax so levied, may have the validity of the claim, defense, or objection determined by the district court of the county in which the tax is levied or by the tax court by ~~serving two copies~~ one copy of a petition for such determination upon the county auditor, one copy on the county attorney, and one copy on the county treasurer, and three copies on the county assessor. In counties where

the office of county treasurer has been combined with the office of county auditor, the petitioner must serve the number of copies required by the county. The petitioner must file the copies with proof of service, in the office of the court administrator of the district court before the 16th day of May of the year in which the tax becomes payable. The county auditor assessor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. A copy of the petition shall also be sent forwarded by the assessor to the school board of the school district in which the property is located. A petition for determination under this section may be transferred by the district court to the tax court. An appeal may also be taken to the tax court under chapter 271 at any time following receipt of the valuation notice required by section 273.121 but prior to May 16 of the year in which the taxes are payable.

Sec. 14. Minnesota Statutes 1990, section 278.05, subdivision 4, is amended to read:

Subd. 4. [SALES RATIO STUDIES AS EVIDENCE.] The sales ratio studies published by the department of revenue, or any part of the studies, or any copy of the studies or records accumulated to prepare the studies which is prepared by the commissioner of revenue for use in determining education aids shall be admissible in evidence as a public record without the laying of a foundation if the sales prices used in the study are adjusted for the terms of the sale to reflect market value and are adjusted to reflect the difference in the date of sale compared to the assessment date. The department of revenue sales ratio study shall be prima facie evidence of the level of assessment. Additional evidence relevant to the sales ratio study is also admissible. No sales ratio study received into evidence shall be conclusive or binding on the court and evidence of its reliability or unreliability may be introduced by any party including, but not limited to, evidence of inadequate adjustment of sale prices for terms of financing, inadequate adjustment of sales prices to reflect the difference in the date of sale compared to the assessment date, and inadequate sample size.

No reduction in value on the grounds of discrimination shall be granted on the basis of a sales ratio study unless

(a) the sales prices are adjusted for the terms of the sale to reflect market value,

(b) the sales prices are adjusted to reflect the difference in the date of sale compared to the assessment date,

(c) there is an adequate sample size, and

(d) the median ratio of the same classification of property in the

same county, city, or town as the subject property is lower than 90 percent, except that in the case of a county containing a city of the first class, the median ratio for the county shall be the ratio determined excluding sales from the first class city within the county.

~~If a reduction in value on the grounds of discrimination is granted based on the above criteria, the reduction shall equal the difference between (1) the ratio for the petitioner's property less five percentage points 95 percent and (2) the median ratio determined by the court. In order to receive relief on the basis of discrimination, the petitioner must establish the ratio of the assessor's estimated market value to the actual fair market value for the property.~~

Sec. 15. Minnesota Statutes 1990, section 279.01, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivision 3, on May 16 or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later, a penalty shall accrue and thereafter be charged upon all unpaid taxes on real estate on the current lists in the hands of the county treasurer. The penalty shall be at a rate of three percent on homestead property and seven percent on nonhomestead property. 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.

This section applies to payment of personal property taxes assessed against improvements to leased property, except as provided by section 277.01, subdivision 3.

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. 16. Minnesota Statutes 1990, section 279.01, subdivision 2, is amended to read:

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

Sec. 17. Minnesota Statutes 1990, 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 subdivisions 22, paragraph (c), and 25, paragraph (d)(1) or (c)(4), clause (5),~~ 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. 1/4 of S.W. 1/4

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

City of (Smittown)

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
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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. The notices published and mailed by the county auditor must also be in the form prescribed by the commissioner.

Sec. 18. Minnesota Statutes 1990, section 281.17, is amended to read:

281.17 [PERIOD FOR REDEMPTION.]

The period of redemption for all lands sold to the state at a tax judgment sale shall be three years from the date of sale to the state of Minnesota if the land is within an incorporated area unless it is: (a) nonagricultural homesteaded land as defined in section 273.13, subdivision 22, (b) homesteaded agricultural land as defined in section 273.13, subdivision 23, paragraph (a), or (c) seasonal recreational land as defined in section 273.13, ~~subdivision~~ subdivisions 22, paragraph (c), and 25, paragraph (d)(1) or (c)(4), clause (5), in which event the period of redemption is five years from the date of sale to the state of Minnesota.

The period of redemption for homesteaded lands as defined in section 273.13, subdivision 22, located in a targeted neighborhood as

defined in Laws 1987, chapter 386, article 6, section 4, and sold to the state at a tax judgment sale is three years from the date of sale. The period of redemption for all lands located in a targeted neighborhood as defined in Laws 1987, chapter 386, article 6, section 4, except homesteaded lands as defined in section 273.13, subdivision 22, and sold to the state at a tax judgment sale is one year from the date of sale.

The period of redemption for all other lands sold to the state at a tax judgment sale shall be five years from the date of sale.

Sec. 19. Minnesota Statutes 1990, section 282.01, subdivision 1, is amended to read:

Subdivision 1. [CLASSIFICATION.] It is the general policy of this state to encourage the best use of tax-forfeited lands, recognizing that some lands in public ownership should be retained and managed for public benefits while other lands should be returned to private ownership. Parcels of land becoming the property of the state in trust under law declaring the forfeiture of lands to the state for taxes shall be classified by the county board of the county in which the parcels lie as conservation or nonconservation. In making the classification the board shall consider the present use of adjacent lands, the productivity of the soil, the character of forest or other growth, accessibility of lands to established roads, schools, and other public services, their peculiar suitability or desirability for particular uses and the suitability of the forest resources on the land for multiple use, sustained yield management. The classification, furthermore, must encourage and foster a mode of land utilization that will facilitate the economical and adequate provision of transportation, roads, water supply, drainage, sanitation, education, and recreation; facilitate reduction of governmental expenditures; conserve and develop the natural resources; and foster and develop agriculture and other industries in the districts and places best suited to them.

In making the classification the county board may use information made available by any office or department of the federal, state, or local governments, or by any other person or agency possessing pertinent information at the time the classification is made. The lands may be reclassified from time to time as the county board may consider necessary or desirable, except for conservation lands held by the state free from any trust in favor of any taxing district.

If the lands are located within the boundaries of an organized town, with taxable valuation in excess of \$20,000, or incorporated municipality, the classification or reclassification and sale must first be approved by the town board of the town or the governing body of the municipality in which the lands are located. The town board of the town or the governing body of the municipality is considered to have approved the classification or reclassification and sale if the

county board is not notified of the disapproval of the classification or reclassification and sale within 90 days of the date the request for approval was transmitted to the town board of the town or governing body of the municipality. If the town board or governing body desires to acquire any parcel lying in the town or municipality by procedures authorized in this subdivision, it must file a written application with the county board to withhold the parcel from public sale. The application must be filed within 90 days of the request for classification or reclassification and sale. The county board shall then withhold the parcel from public sale for one year. A clerical error made by county officials does not serve to eliminate the request of the town board or governing body if the board or governing body has forwarded the application to the county auditor.

Sec. 20. Minnesota Statutes 1990, section 282.33, subdivision 1, is amended to read:

Subdivision 1. Whenever an unrecorded deed from the state of Minnesota conveying tax-forfeited lands shall have been lost or destroyed, an application, in form approved by the attorney general, for a new deed may be made by the grantee or the grantee's successor in interest to the commissioner of revenue. If it appears to the commissioner of revenue that the facts stated in the petition are true, the commissioner shall issue a new deed to the original grantee, in form approved by the attorney general, with like effect as the original deed. The commissioner shall send the new deed to the county recorder, who after recording the deed will forward it to the county auditor. The application shall be accompanied by a fee of ~~\$20~~ \$25, payable to the commissioner of revenue, which shall be deposited with the state treasurer and credited to the general fund.

Sec. 21. Minnesota Statutes 1990, section 375.192, subdivision 2, is amended to read:

Subd. 2. Upon written application by the owner of the property, the county board may grant the reduction or abatement of estimated market valuation or taxes and of any costs, penalties, or interest on them as the board deems just and equitable and order the refund in whole or part of any taxes, costs, penalties, or interest which have been erroneously or unjustly paid. The county board may also grant the abatement of penalties for taxes paid within 30 days of the due date, regardless of the classification of the property. The application must include the social security number of the applicant. The social security number is private data on individuals as defined by section 13.02, subdivision 12. The application must be approved by the county assessor, or, if the property is located in a city of the first or second class having a city assessor, by the city assessor, and by the county auditor before consideration by the county board. If the application is for abatement of penalty or interest, the application must be approved by the county treasurer and county auditor. No reduction, abatement, or refund of any special assessments made or

levied by any municipality for local improvements shall be made unless it is also approved by the board of review or similar taxing authority of the municipality. Before taking action on any reduction or abatement where the reduction of taxes, costs, penalties, and interest exceed \$10,000, the county board shall give 20 days' notice to the school board and the municipality in which the property is located. The notice must describe the property involved, the actual amount of the reduction being sought, and the reason for the reduction. If the school board or the municipality object to the granting of the reduction or abatement, the county board must refer the abatement or reduction to the commissioner of revenue with its recommendation. The commissioner shall consider the abatement or reduction under section 270.07, subdivision 1.

An appeal may not be taken to the tax court from any order of the county board made in the exercise of the discretionary authority granted in this section.

Sec. 22. Minnesota Statutes 1990, section 414.031, subdivision 6, is amended to read:

Subd. 6. [EFFECTIVE DATE OF ANNEXATION.] The annexation shall be effective as of the date fixed in the annexation order or on such later date as is fixed in the annexation order. A copy of the annexation order must be delivered immediately by the executive director of the Minnesota municipal board to the appropriate county auditor or auditors. For the purposes of taxation, if the annexation becomes effective on or before August 1 of a levy year, the municipality may levy on the annexed area beginning with that same levy year. If the annexation becomes effective after August 1 of a levy year, the town may continue to levy on the annexed area for that levy year, and the municipality may not levy on the annexed area until the following levy year.

Sec. 23. Minnesota Statutes 1990, section 414.0325, subdivision 4, is amended to read:

Subd. 4. [EFFECTIVE DATE OF ANNEXATION.] The board's order shall be effective upon the issuance of the order or at such later time as is provided by the board in its order. A copy of the annexation order must be delivered immediately by the executive director of the Minnesota municipal board to the appropriate county auditor or auditors. For the purposes of taxation, if the annexation becomes effective on or before August 1 of a levy year, the municipality may levy on the annexed area beginning with that same levy year. If the annexation becomes effective after August 1 of a levy year, the town may continue to levy on the annexed area for that levy year, and the municipality may not levy on the annexed area until the following levy year.

Sec. 24. Minnesota Statutes 1990, section 414.033, subdivision 7, is amended to read:

Subd. 7. Any annexation ordinance provided for in this section must be filed with the board, the township, the county auditor and the secretary of state and is final on the date the ordinance is approved by the board. A copy of the annexation ordinance must be delivered immediately by the governing body of the municipality to the appropriate county auditor or auditors. For the purposes of taxation, if the annexation becomes effective on or before August 1 of a levy year, the municipality may levy on the annexed area beginning with that same levy year. If the annexation becomes effective after August 1 of a levy year, the town may continue to levy on the annexed area for that levy year, and the municipality may not levy on the annexed area until the following levy year.

Sec. 25. Minnesota Statutes 1990, section 414.06, subdivision 4, is amended to read:

Subd. 4. [EFFECTIVE DATE OF DETACHMENT.] The detachment shall be effective upon the issuance of the board's order, or at such later date, as provided by the board in its order. A copy of the detachment order must be delivered immediately by the executive director of the Minnesota municipal board to the appropriate county auditor or auditors. For the purposes of taxation, if the detachment becomes effective on or before August 1 of a levy year, the town or towns acquiring the detached area may levy on it beginning with that same levy year. If the detachment becomes effective after August 1 of a levy year, the municipality may continue to levy on the detached area for that levy year, and the town or towns acquiring the detached area may not levy on it until the following levy year.

Sec. 26. Minnesota Statutes 1990, section 414.061, subdivision 3, is amended to read:

Subd. 3. [EFFECTIVE DATE.] The concurrent detachment and annexation shall be effective upon the issuance of the board's order, or at such later date as provided by the board in its order. A copy of the annexation order must be delivered immediately by the executive director of the Minnesota municipal board to the appropriate county auditor or auditors. For the purposes of taxation, if the annexation becomes effective on or before August 1 of a levy year, the municipality acquiring the detached area of another municipality may levy on it beginning with that same levy year. If the annexation becomes effective after August 1 of a levy year, the municipality losing the detached area may continue to levy on it for that levy year, and the municipality acquiring the detached area may not levy on it until the following levy year.

Sec. 27. Minnesota Statutes 1990, section 477A.014, subdivision

1, as amended by Laws 1991, chapter 2, article 8, section 10, is amended to read:

Subdivision 1. [CALCULATIONS AND PAYMENTS.] The commissioner of revenue shall make all necessary calculations and make payments pursuant to sections 477A.012, 477A.013, and 477A.03 directly to the affected taxing authorities annually. In addition, the commissioner shall notify the authorities of their aid amounts, as well as the computational factors used in making the calculations for their authority, and those statewide total figures that are pertinent, before August 15 of the year preceding the aid distribution year; ~~except that for aid payable in 1990 the commissioner of revenue must notify the authorities of their aid amounts as well as the computational factors used in the calculation before October 23, 1989.~~ The commissioner shall reduce the July 20, 1991, payment of local government aid, equalization aid, homestead and agricultural credit aid, and disparity reduction aid to counties, cities, towns, and special taxing districts by a combined amount of \$50,000,000.

Sec. 28. Minnesota Statutes 1990, section 515A.1-105, subdivision 1, is amended to read:

Subdivision 1. [HOMESTEAD.] (a) Each unit together with its common element interest constitutes for all purposes a separate parcel of real estate.

(b) If a declaration is recorded prior to ~~ten~~ 30 days before any installment of real estate taxes becomes payable, the local taxing authority shall split the taxes so payable on the condominium among the units. Interest and penalties which would otherwise accrue shall not begin to accrue until at least 30 days after the split is accomplished.

(c) A unit used for residential purposes together with not more than two units used for vehicular parking and their common element interests shall be treated the same as any other real estate in determining whether homestead exemptions or classifications shall apply.

Sec. 29. Laws 1990, chapter 604, article 3, section 49, subdivision 3, is amended to read:

Subd. 3. [REVERSE REFERENDUM.] If the Bayport city council intends to exercise the authority provided by this section in ~~subsequent years~~ levy year 1990, it shall pass a resolution stating the fact before ~~January~~ September 1, 1991 1990. 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~~ 1990.

Sec. 30. Laws 1990, chapter 604, article 3, section 50, subdivision 3, is amended to read:

Subd. 3. [REVERSE REFERENDUM.] If the Goodhue county board intends to exercise the authority provided by this section in ~~subsequent years~~ levy years 1990 and 1991, it shall pass a resolution stating the fact ~~before January~~ September 1, 1991 ~~1990~~. The resolution must be published for two successive weeks in the official newspaper of the county or, if there is no official newspaper, in a newspaper of general circulation in the county, together with a notice fixing a date for a public hearing on the matter. The hearing must be held at least two weeks but not more than four weeks after the first publication of the resolution. Following the public hearing, the county may determine to take no further action or adopt a resolution confirming its intention to exercise the authority. That resolution must also be published in the official newspaper of the county or, if there is no official newspaper, in a newspaper of general circulation in the county. If within 30 days after publication of the resolution a petition signed by voters equal in number to five percent of the votes cast in the county in the last general election requesting a vote on the proposed resolution is filed with the county auditor, the resolution is not effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the election. The referendum must be held at a special or general election before December 1, ~~1991~~ 1990.

Sec. 31. Laws 1990, chapter 604, article 3, section 51, subdivision 3, is amended to read:

Subd. 3. [REVERSE REFERENDUM.] If the Windom city council intends to exercise the authority provided by this section in ~~subsequent years~~ levy year 1991, it shall pass a resolution stating the fact

before ~~January~~ September 1, 1991. The resolution must be published for two successive weeks in the official newspaper of the city or, if there is no official newspaper, in a newspaper of general circulation in the city, together with a notice fixing a date for a public hearing on the matter. The hearing must be held at least two weeks but not more than four weeks after the first publication of the resolution. Following the public hearing, the city may determine to take no further action or adopt a resolution confirming its intention to exercise the authority. That resolution must also be published in the official newspaper of the city or, if there is no official newspaper, in a newspaper of general circulation in the city. If within 30 days after publication of the resolution a petition signed by voters equal in number to five percent of the votes cast in the city in the last general election requesting a vote on the proposed resolution is filed with the county auditor, the resolution is not effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the election. The referendum must be held at a special or general election before December 1, 1991.

Sec. 32. Laws 1990, chapter 604, article 3, section 59, subdivision 2, is amended to read:

Subd. 2. [REVERSE REFERENDUM.] If the Rosemount city council proposes to pay the obligation 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~~ December 1, ~~1992~~ 1990.

Sec. 33. Laws 1990, chapter 604, article 3, section 61, subdivision 2, is amended to read:

Subd. 2. [REVERSE REFERENDUM.] If the city intends to exercise the authority provided by subdivision 1 in levy year 1990 and subsequent years, it shall pass a resolution stating the fact before January September 1, 1991 1990. 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 1990.

Sec. 34. Laws 1990, chapter 604, article 4, section 22, is amended to read:

Sec. 22. [EFFECTIVE DATES.]

Sections 1, 3, 8, 9, 11, 14, ~~18~~, and 20 are effective for aids payable in calendar year 1990 and thereafter. Section 18 is effective for homestead and agricultural credit aid payments for taxes payable in 1990. Sections 2, 4, 5, 7, 10, 12, 13, 15, and 17 are effective for aids payable in calendar year 1991 and thereafter. Sections 19 and 21 are effective for aids payable in calendar year 1992 and thereafter. That part of section 6 striking a reference to cities of the first class is effective for aids equalization aid paid under section 477A.013, subdivision 5, in calendar year 1991 and thereafter. The rest of section 6 is effective for aids paid in calendar year 1990 and thereafter. Section 16 is effective July 1, 1990, and applies to payments due on or after that date.

Sec. 35. [REPEALER.]

Minnesota Statutes 1990, section 273.137, is repealed.

Laws 1989, chapter 277, article 4, section 2, is repealed.

Sec. 36. [EFFECTIVE DATES.]

Sections 1, 3, 9, 11, 17 to 19, and 35 are effective the day following final enactment. Sections 2, 4, 7, 8, 12, 15, 16, and 22 to 26 are effective for taxes levied in 1991, payable in 1992 and thereafter. Sections 5 and 6 are effective for taxes levied in 1992, payable in 1993 and thereafter. Section 27 is effective for aids payable in 1992 and thereafter. Section 10 is effective for aids payable in 1991 and thereafter. Section 13 is effective for tax petitions filed for taxes payable in 1992 and thereafter. Section 14 is effective for petitions based on taxes levied in 1989, payable in 1990, and thereafter, which have not been determined by the court or settled between the parties by the date of final enactment of this act. Section 20 is effective June 1, 1990. Sections 21 and 28 are effective July 1, 1991. Section 29 is effective for taxes levied in 1990, payable in 1991. Section 30 is effective for taxes levied in 1990 and 1991, payable in 1991 and 1992. Section 31 is effective for taxes levied in 1991, payable in 1992. Sections 32 and 33 are effective for taxes levied in 1990, payable in 1991, and thereafter. The amendments in section 34 changing the effective date of section 18 are effective for homestead and agricultural credit aid payments for taxes payable in 1990. The amendment in section 34 changing the effective date of section 6 to refer to equalization aid is effective for aids payable in calendar year 1991, and thereafter.

ARTICLE 12

FIRE AID

Section 1. Minnesota Statutes 1990, section 69.011, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] Unless the language or context clearly indicates that a different meaning is intended, the following words and terms shall for the purposes of this chapter and chapters 423, 423A, 424 and 424A have the meanings ascribed to them:

- (a) "Commissioner" means the commissioner of revenue.
- (b) "Municipality" means any home rule charter or statutory city, organized town or park district subject to chapter 398, and the University of Minnesota.
- (c) "Minnesota Firetown Premium Report" means a form prescribed by the commissioner containing space for reporting by insurers of fire, lightning, sprinkler leakage and extended coverage premiums received upon risks located or to be performed in this state less return premiums and dividends.
- (d) "Firetown" means the area serviced by any municipality having a qualified fire department or a qualified incorporated fire

department having a subsidiary volunteer firefighters' relief association.

(e) "Net tax capacity" "Market value" means latest available net tax capacity market value of all property in a taxing jurisdiction, whether the property is subject to taxation, or exempt from ad valorem taxation obtained from information which appears on abstracts filed with the commissioner of revenue or equalized by the state board of equalization.

(f) "Minnesota Aid to Police Premium Report" means a form prescribed by the commissioner for reporting by each fire and casualty insurer of all premiums received upon direct business received by it in this state, or by its agents for it, in cash or otherwise, during the preceding calendar year, with reference to insurance written for insuring against the perils contained in auto insurance coverages as reported in the Minnesota business schedule of the annual financial statement which each insurer is required to file with the commissioner in accordance with the governing laws or rules less return premiums and dividends.

(g) "Peace officer" means any person:

(1) whose primary source of income derived from wages is from direct employment by a municipality or county as a law enforcement officer on a full-time basis of not less than 30 hours per week;

(2) who has been employed for a minimum of six months prior to December 31 preceding the date of the current year's certification pursuant to under subdivision 2, clause (b);

(3) who is sworn to enforce the general criminal laws of the state and local ordinances;

(4) who is licensed by the peace officers standards and training board and is authorized to arrest with a warrant; and

(5) who is a member of a local police relief association to which section 69.77 applies or the public employees police and fire fund.

(h) "Full-time equivalent number of peace officers providing contract service" means the integral or fractional number of peace officers which would be necessary to provide the contract service if all peace officers providing service were employed on a full-time basis as defined by the employing unit and the municipality receiving the contract service.

(i) "Retirement benefits other than a service pension" means any disbursement authorized pursuant to under section 424A.05, subdivision 3, clauses (2), (3) and (4).

(j) "Municipal clerk, municipal clerk-treasurer or county auditor" means the person who was elected or appointed to the specified position or, in the absence of the person, another person who is designated by the applicable governing body. In a park district the clerk is the secretary of the board of park district commissioners. In the case of the University of Minnesota, the clerk is that official designated by the board of regents.

Sec. 2. Minnesota Statutes 1990, section 69.011, subdivision 3, is amended to read:

Subd. 3. [FAILURE TO FILE CERTIFICATE DEEMED WAIVER.] ~~If the certificate a certification required by this section is not filed with the commissioner within the time prescribed by this section the municipality or nonprofit fire fighting corporation shall be deemed to have relinquished its rights for the year to the benefits under this chapter by the due date prescribed by this section, the commissioner shall notify the municipality or the nonprofit fire fighting corporation that a portion or all of its current year aid will be forfeited if the certification is not received within ten days. The amount of aid forfeited is equal to the amount of state police aid or state fire aid determined for the municipality or fire fighting corporation for the current year, multiplied by five percent for each week or fraction of a week that this certification is late. The penalty will be computed beginning ten days after the postmark date of the commissioner's notification as required under this subdivision. All forfeited aid amounts revert to the general fund in the state treasury. Failure to receive the certificate form cannot be used as a defense for not filing.~~

Sec 3. Minnesota Statutes 1990, section 69.021, subdivision 2, is amended to read:

Subd. 2. [REPORT OF PREMIUMS.] Each insurer, including township and farmers mutual insurers where applicable, shall return to the commissioner with its annual financial statement the reports described in subdivision 1 certified by its secretary and president or chief financial officer. The Minnesota Firetown Premium Report shall contain a true and accurate statement of the total premium for all gross direct fire, lightning, and sprinkler leakage, and extended coverage insurance of all domestic mutual insurers and the total premiums for all gross direct fire, lightning, sprinkler leakage and extended coverage insurance of all other insurers, less return premiums and dividends received by them on that business written or done during the preceding calendar year upon property located within the state or brought into the state for temporary use. The fire and extended coverage portion of multiperil and multiple peril package premiums and all other combination premiums shall be determined by applying percentages determined by the commissioner or by rating bureaus recognized by the commissioner. The Minnesota Aid to Police Premium Report shall

contain a true and accurate statement of the total premiums, less return premiums and dividends, on all direct business received by such insurer in this state, or by its agents for it, in cash or otherwise, during the preceding calendar year, with reference to insurance written for perils described in section 69.011, subdivision 1, clause (f), except that domestic mutual insurance companies must not file a report.

Sec. 4. Minnesota Statutes 1990, section 69.021, subdivision 4, is amended to read:

Subd. 4. [DETERMINATION OF QUALIFIED STATE AID RECIPIENTS; CERTIFICATION TO COMMISSIONER OF REVENUE.] The commissioner shall determine which municipalities and independent nonprofit firefighting corporations are qualified to receive fire state aid and which municipalities and counties are qualified to receive ~~police state~~ peace officer aid. The commissioner shall determine qualification upon receipt of (1) the fire department personnel and equipment certification or the police department and qualified peace officers certificate, whichever is applicable, required ~~pursuant to~~ under section 69.011, (2) the financial compliance report required ~~pursuant to~~ under section 6.495, and (3) any other relevant information which comes to the attention of the commissioner. Upon completion of the determination, on or before September 1, the commissioner shall calculate ~~pursuant to~~ under subdivision 6 the amount of ~~fire state aid and police~~ (a) state peace officer aid which each county, or municipality, or ~~independent nonprofit firefighting corporation~~ is to receive and (b) fire state aid which each municipality or nonprofit firefighting corporation is to receive. The commissioner shall certify to the commissioner of finance the name of each county, or municipality, and the amount of state aid which each county or municipality is to receive, in the case of state peace officer aid; and the name of each municipality or independent nonprofit firefighting corporation and the amount of state aid which each municipality or independent nonprofit firefighting corporation is to receive, in the case of fire state aid.

Sec. 5. Minnesota Statutes 1990, section 69.021, subdivision 5, is amended to read:

Subd. 5. [CALCULATION OF STATE AID.] The amount of state aid available for apportionment shall be two percent of the fire, lightning, sprinkler leakage, and extended coverage premiums reported to the commissioner by insurers on the Minnesota Firetown Premium Report and two percent of the premiums reported to the commissioner by insurers on the Minnesota Aid to Police Premium Report. This amount shall be reduced by the amount required to pay the state auditor's costs and expenses of the audits or exams of the firefighters relief associations. The total amount for apportionment in respect to police state aid shall not be greater or lesser than the amount of premium taxes paid to the state upon the premiums

reported to the commissioner by insurers on the Minnesota Aid to Police Premium Report after subtracting the amount required to pay the state auditor's costs and expenses of the audits or exams of the police relief associations. The total amount for apportionment in respect to firefighters state aid shall not be greater or lesser than the amount of premium taxes paid to the state upon the premiums reported to the commissioner by insurers on the Minnesota Firetown Premium Report after subtracting the amount required to pay the state auditor's costs and expenses of the audits or exams of the firefighters relief associations. The amount for apportionment in respect to police state aid shall be distributed to the municipalities maintaining police departments and to the county on the basis of the number of active peace officers, as certified pursuant to section 69.011, subdivision 2, clause (b). The commissioner shall calculate the percentage of increase or decrease reflected in the apportionment over or under the previous year's available state aid using the same premiums as a basis for comparison.

Sec. 6. Minnesota Statutes 1990, section 69.021, subdivision 6, is amended to read:

Subd. 6. [CALCULATION OF APPORTIONMENT OF STATE PEACE OFFICERS 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 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. 7. Minnesota Statutes 1990, section 69.021, subdivision 7, is amended to read:

Subd. 7. [APPORTIONMENT OF AID TO MUNICIPALITIES AND RELIEF ASSOCIATIONS.] (1) The commissioner shall apportion the state aid relative to the premiums reported on the Minne-

sota Firetown Premium Reports filed pursuant to under this chapter to each municipality and/or firefighters' relief association in the same manner that state aid is apportioned to the counties, one-half in proportion to the population as shown in the last official statewide federal census for each fire town and one-half in proportion to the net tax capacity market value of the each fire towns in the county for which aid is proportioned town, including the market value of tax exempt property, but excluding the market value of minerals. In the case of incorporated or municipal fire departments furnishing fire protection to other cities, towns, or townships as evidenced by valid fire service contracts filed with the commissioner, the distribution shall be adjusted proportionately to take into consideration the crossover fire protection service. Necessary adjustments shall be made to subsequent apportionments.

In the case of municipalities or independent fire departments qualifying for the aid, the commissioner shall calculate the state aid for the municipality or relief association on the basis of the population and the net tax capacity market value of the area furnished fire protection service by the fire department as evidenced by duly executed and valid fire service agreements filed with the commissioner. If one or more fire departments are furnishing contracted fire service to a city, town, or township, only the population and net tax capacity market value of the area served by each fire department shall be considered in calculating the state aid and the fire departments furnishing service shall enter into an agreement apportioning among themselves the percent of the population and the net tax capacity market value of each service area. The agreement shall be in writing and filed with the commissioner in duplicate. The commissioner shall forward one copy of the agreement to the county auditor of the county wherein the fire department is located and retain one copy.

The aid shall be paid to the treasurer of the municipality where the fire department is located and the treasurer of the municipality shall within 30 days transmit the aid to the relief association if the relief association has filed a financial report with the treasurer of the municipality and has met all other statutory provisions pertaining to the aid apportionment.

The commissioner is hereby empowered to may make rules to permit the administration of the provisions of this section.

(2) The commissioner shall apportion the state police peace officer aid to each municipality and to the county in the following manner:

(a) For all municipalities maintaining police departments and the county, the state aid shall be distributed in proportion to the total number of peace officers, as determined pursuant to under section 69.011, subdivision 1, clause (g), and subdivision 2, clause (b), employed by each municipality and by the county for 12 calendar

months and the proportional or fractional number who were employed less than 12 months;

(b) For each municipality which contracts with the county for police service, a proportionate amount of the state aid distributed to the county based on the full-time equivalent number of peace officers providing contract service shall be credited against the municipality's contract obligation;

(c) For each municipality which contracts with another municipality for police service, a proportionate amount of the state aid distributed to the municipality providing contract service based on the full-time equivalent number of peace officers providing contract service on a full-time equivalent basis shall be credited against the contract obligation of the municipality receiving contract service;

(d) No municipality entitled to receive ~~police~~ state ~~peace officer~~ aid shall be apportioned less ~~police~~ state ~~peace officer~~ aid for any year under Laws 1976, chapter 315, than the amount which was apportioned to it for calendar year 1975 based on premiums reported to the commissioner for calendar year 1974; provided, the amount of ~~police~~ state peace officer aid to other municipalities within the county and to the county shall be adjusted in proportion to the total number of peace officers in the municipalities and the county, so that the amount of ~~police~~ state peace officer aid apportioned shall not exceed the amount of ~~police~~ state peace officer aid available for apportionment.

Sec. 8. Minnesota Statutes 1990, section 69.021, subdivision 8, is amended to read:

Subd. 8. [POPULATION AND TAX CAPACITY MARKET VALUE.] In computations requiring the use of population figures only official statewide federal census figures are to be used. Increases or decreases in population disclosed by reason of any special census shall not be taken into consideration.

In calculations requiring the use of ~~net tax capacity~~ market value figures, only the latest available ~~net tax capacity~~ market value figures are to be used.

Sec. 9. Minnesota Statutes 1990, section 69.021, subdivision 9, is amended to read:

Subd. 9. [APPEAL.] In the event that any fire or police department feels itself to be aggrieved, it may request the commissioner to review and adjust the apportionment of funds within the county in the case of state peace officer aid, and within the state in the case of fire state aid, and the decision of the commissioner shall be subject

to appeal, review, and adjustment by the district court in the county in which the fire or police department is located.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 and 3 to 9 are effective for aids payable in 1991 and thereafter. Section 2 is effective for aids paid in 1992 and thereafter.

ARTICLE 13

LOCAL GOVERNMENT SERVICE SHARING AND
COMBINATION INCENTIVES

Section 1. [465.80] [SERVICE SHARING GRANTS.]

Subdivision 1. [SCOPE.] This section establishes a program for grants to cities, counties, and towns to enable them to meet the start-up costs of providing shared services or functions.

Subd. 2. [ELIGIBILITY.] Any home rule charter or statutory city, county, or town that provides a plan for offering a governmental service under a joint powers agreement with another city, county, or town, or with an agency of state government, is eligible for a grant under this section, and is referred to in this section as an "eligible local government unit."

Subd. 3. [PLAN.] To apply for a grant under this section, the governing body of the eligible local government unit must by resolution adopt a plan that includes:

(1) a proposal to enter into an agreement for the joint exercise of powers under section 471.59 that will result in a fully integrated service or function provided by the eligible local unit of government and one or more other government units as defined in section 471.59. Agreements solely to make joint purchases are not sufficient to qualify under this section;

(2) specific projections of cost savings or more efficient service operations that are reasonably likely to result from the combined service or function; and

(3) evidence of the need for financial assistance to meet start-up costs that would be entailed in providing the combined service or function.

Subd. 4. [SUBMISSION OF PLAN TO DEPARTMENT.] The plan must be submitted to the department of trade and economic development. The commissioner of trade and economic development will approve a plan only if it contains the elements set forth in subdivision 3, with sufficient information to verify the assertions under

clauses (2) and (3). The commissioner may request modifications of a plan. If the commissioner rejects a plan, written reasons for the rejection must be provided, and a governmental unit may modify the plan and resubmit it.

Subd. 5. [GRANTS.] The amount of each grant shall be equal to the additional start-up costs for which evidence is presented under subdivision 3, clause (3). Only one grant will be given to a local government unit for any function or service it proposes to combine with another government unit, but a unit may apply for separate grants for different services or functions it proposes to combine. If the amount of money available for making the grants is not sufficient to fully fund the grants to eligible local government units with approved plans, the commissioner shall award grants on the basis of each qualified applicant's score under a scoring system to be devised by the commissioner to measure the relative needs for the grants and the ratio of costs to benefits for each proposal.

Sec. 2. [465.81] [COOPERATION AND COMBINATION.]

Subdivision 1. [SCOPE.] Sections 2 to 8 establish procedures to be used by counties, cities, or towns that adopt by resolution an agreement providing a plan to provide combined services during an initial two-year cooperation period and then to merge into a single unit of government over the succeeding two-year period.

Subd. 2. [DEFINITIONS.] As used in sections 2 to 8, the words defined in this subdivision have the meanings given them in this subdivision.

"City" means home rule charter or statutory cities.

"Commissioner" means the commissioner of trade and economic development.

"Department" means the department of trade and economic development.

"Governing body" means, in the case of a county, the county board; in the case of a city, the city council; and, in the case of a town, the town board.

"Local government unit" or "unit" includes counties, cities, and towns.

Subd. 3. [COMBINATION REQUIREMENTS.] Counties may combine with one or more other counties. Cities may combine with one or more other cities or with one or more towns. Towns may combine with one or more other towns or with one or more cities. Units that combine must be contiguous.

Sec. 3. [465.82] [COOPERATION AND COMBINATION PLAN.]

Subdivision 1. [ADOPTION AND STATE AGENCY REVIEW.] Each governing body that proposes to combine under sections 2 to 8 must adopt by resolution a plan for cooperation and combination. The plan must address each item in this section. The plan must be specific for any item that will occur within three years and may be general or set forth alternative proposals for an item that will occur more than three years in the future. The plan must be submitted to the department of trade and economic development for review and comment. Significant modifications and specific resolutions of items must be submitted to the department for review and comment. In the official newspaper of each local government unit proposed for combination, the governing body must publish at least a summary of the adopted plans, each significant modification and resolution of items, and the results of each department review and comment.

Subd. 2. [CONTENTS OF PLAN.] The plan shall state:

(1) the specific cooperative activities the units will engage in during the first two years of the venture;

(2) the steps to be taken to effect the merger of the governmental units, beginning in the third year of the process, with completion no later than four years after the process begins;

(3) the steps by which a single governing body will be created. Notwithstanding any other law to the contrary, all current members of the governing bodies of the local government units that propose to combine under sections 2 to 8 may serve on the initial governing body of the combined unit, until a gradual reduction in membership is achieved by foregoing election of new members when terms expire until the number permitted by other law is reached;

(4) changes in services provided, facilities used, administrative operations and staffing to effect the preliminary cooperative activities and the final merger;

(5) treatment of employees of the merging governmental units, specifically including provisions for reassigning employees, dealing with unions, and providing financial incentives to encourage early retirements;

(6) financial arrangements for the merger, specifically including responsibility for debt service on outstanding obligations of the merging entities;

(7) two, five, and ten-year projections prepared by the department of revenue at the request of the local government unit, of revenues,

expenditures, and property taxes for each unit if it combined and if it remained separate;

(8) procedures for a referendum to be held prior to the year of the proposed combination to approve combining the local government units, specifically stating whether a majority of those voting in each district proposed for combination or a majority of those voting on the question in the entire area proposed for combination would be needed to pass the referendum; and

(9) a time schedule for implementation.

Sec. 4. [465.83] [STATE AGENCY APPROVAL.]

Before scheduling a referendum on the question of combining local government units under section 5, the units shall submit the plan adopted under section 3 to the commissioner. The commissioner may require any information it deems necessary to evaluate the plan. The commissioner shall disapprove the proposed combination if the commissioner finds that the plan is not reasonably likely to enable the combined unit to provide services in a more efficient or less costly manner than the separate units would provide them, or if the plans or plan modification are incomplete.

Sec. 5. [465.84] [REFERENDUM.]

During the first or second year of cooperation, and after approval of the plan by the department under section 4, a referendum on the question of combination shall be conducted. The referendum shall be on a date called by the governing bodies of the units that propose to combine. The referendum shall be conducted according to the Minnesota election law, as defined in section 200.01. If the referendum fails, the same question or a modified question may be submitted the following year. If the referendum fails again, the same question may not be submitted. Referendums shall be conducted on the same date in all local government units.

Sec. 6. [465.85] [COUNTY AUDITOR TO PREPARE PLAT.]

Upon the request of two or more local government units that have adopted a resolution to cooperate and combine, the county auditor shall prepare a plat. If the proposed combined local government unit is located in more than one county, the request shall be submitted to the county auditor of the county that has the greatest land area in the proposed district. The plat must show:

(1) the boundaries of each of the present units;

(2) the boundaries of the proposed unit;

(3) the boundaries of proposed election districts, if requested; and

(4) other information deemed pertinent by the governing bodies or the county auditor.

Sec. 7. [465.86] [BONDED DEBT AT THE TIME OF COMBINATION.]

Debt service for bonds outstanding at the time of the combination may be levied by the combined governing body consistent with the plan adopted according to section 3, and any subsequent modifications, subject to section 475.61. The primary obligation to pay the bonded indebtedness outstanding on the effective date of combination remains with the local government unit that issued the bonds, but a combined unit may make debt service payments on behalf of a preexisting unit.

Sec. 8. [465.87] [AIDS TO COOPERATING AND COMBINING UNITS.]

Subdivision 1. [ELIGIBILITY.] A local government unit is eligible for aid under this section if the commissioner has approved its plan to cooperate and combine under section 4.

Subd. 2. [AMOUNT OF AID.] The aid to be paid to each eligible local government unit is equal to the following per capita amounts, based on the combined population of the units, not to exceed \$100,000 per year for any unit.

<u>Combined Population after Combination</u>	<u>Aid Per Capita</u>
0 - 2,500	\$25
2,500 - 5,000	20
5,000 - 20,000	15
over 20,000	10

Payments shall be made on the dates provided for payments of local government aid under section 477A.013, beginning in the year during which substantial cooperative activities under the plan initially occur, unless those activities begin after July 1, in which case the initial aid payment shall be made in the following calendar year.

Subd. 3. [TERMINATION OF AID; RECAPTURE.] If a second referendum under section 5 fails, or if an initial referendum fails and the governing body does not schedule a second referendum within one year after the first has failed, or if one or more of the local government units that proposed to combine terminates its participation in the cooperation or combination, no additional aid will be paid under this section. The amount previously paid under this

section to a unit must be repaid if the governing body of the unit acts to terminate its current level of participation in the plan. The amount previously paid to the unit must be repaid in annual installments equal to the total amount paid to the unit for all years under subdivision 2, divided by the number of years when payments were made.

Sec. 9. [APPROPRIATION.]

\$1,500,000 is appropriated to the commissioner of trade and economic development to be used to make the grants under section 1 and to pay the aids under sections 2 to 8. At least 40 percent of the amount appropriated under this section shall be used to make aid payments under sections 2 to 8 unless there are not enough qualified applicants for the cooperation and combination program to make use of the full appropriation.

ARTICLE 14

DELINQUENT TAXES ON PERSONAL PROPERTY

Section 1. [47.209] [MANUFACTURED HOME FINANCING; PROPERTY TAX ESCROW REQUIREMENT.]

Any agreement entered into after December 31, 1991, for the financing or refinancing of a purchase of a manufactured home shall require that the lender maintain an escrow account for deposit of payments for property taxes payable on the manufactured home, and that the borrower make the required payments. As used in this section, "lender" includes a state bank and trust company, national banking association, state or federally chartered savings and loan association, mortgage bank, mutual savings bank, insurance company, credit union, or a dealer as defined in section 327B.01, subdivision 7, who enters into an agreement for financing or refinancing a purchase of a manufactured home.

Sec. 2. Minnesota Statutes 1990, section 274.19, subdivision 3, is amended to read:

Subd. 3. [TAX STATEMENTS; PENALTIES; COLLECTIONS.] Not later than July 15 in the year of assessment the county treasurer shall mail to the taxpayer a statement of tax due on a manufactured home. The taxes are due on the last day of August, except that if the tax exceeds \$50, one-half of the amount due may be paid on August 31, and the remainder on November 15. Taxes remaining unpaid after the due date are delinquent, and a penalty of eight percent must be assessed and collected as part of the unpaid taxes. On September 30 the county treasurer shall make a list of taxes remaining unpaid and shall certify the list immediately to the

~~court administrator of district court. The court administrator shall issue warrants to the sheriff for collection.~~

Sec. 3. [277.17] [ESCROW REQUIREMENT FOR DELINQUENCIES ON MANUFACTURED HOMES.]

Subdivision 1. [CERTIFICATION TO MANUFACTURED HOME OWNER.] On or before October 15 of each year, the county auditor shall send a letter to each owner of a manufactured home for which the personal property taxes due on August 31 are delinquent as of September 30. On or before December 31 of each year, the county auditor shall send a letter to each owner of a manufactured home for which the taxes due on August 31 were not delinquent but the personal property taxes due on November 15 are delinquent as of December 15. The letter must inform the owner that due to the delinquency, the owner will be required under state law to begin making monthly payments of delinquent property taxes, and that the property taxes will also be escrowed for payment of property taxes the following year. The form and content of the notice to the owner shall be specified by the commissioner of revenue.

Subd. 2. [ESTABLISHMENT OF TAX ESCROW ACCOUNTS.] The county auditor must establish a tax escrow account for delinquent property taxes for each owner receiving a letter under subdivision 1. An owner who receives a notice regarding taxes due August 31 must pay an additional amount each month equal to ten percent of the delinquent personal property taxes, penalties, and interest due, plus ten percent of the tax payable in the following calendar year. If the owner fails to pay the tax due on November 15, the additional amount of tax due but unpaid will be added to the delinquent property taxes payable by installment under this section. An owner who receives a notice regarding taxes due November 15 must pay an additional amount each month equal to 15 percent of the delinquent taxes, penalties, and interest due, plus 12 percent of the tax payable in the following calendar year.

Subd. 3. [COUNTY ESCROW.] Within 30 days of receipt of a letter from the county auditor under subdivision 1, the owner must make the first monthly payment under subdivision 2 to the county auditor. The commissioner of revenue shall prescribe the procedures to be used for monthly collections of the delinquent and current tax payments. If an owner is making the payments at the time required under this section, no action may be taken under section 4 with respect to the manufactured home for which the property taxes are being paid into the escrow account.

Sec. 4. [277.20] [LIEN FOR PERSONAL PROPERTY TAX.]

Subdivision 1. [CREATION OF LIEN.] Except for property exempt under subdivision 3, the tax assessed on personal property or manufactured homes and collectible under this chapter is a lien on

all the real and personal property within this state of the person liable for the payment of the tax. The lien arises on January 2 of the year in which the tax is assessed and continues until the tax is paid. For purposes of this section and section 277.21, "tax" also includes penalty, interest, recording fees, sheriff fees, and court costs that may accrue on the unpaid tax.

Subd. 2. [FILING OF LIEN FOR ENFORCEABILITY.] The lien imposed by subdivision 1 is not enforceable against any purchaser, mortgagee, pledgee, holder of a uniform commercial code security interest, mechanic's lienor, or judgment lien creditor until a notice of lien has been filed by the county treasurer in the office of the county recorder of the county in which the property is situated, or in the case of personal property belonging to an individual who is not a resident of this state, or that is a corporation, partnership, or other organization, in the office of the secretary of state. Priority of a lien created under this article shall be determined in accordance with the provisions of section 507.34. Liens filed in the office of the county recorder shall be filed with the state tax liens filed pursuant to section 270.69, and the index shall indicate the name of the county for which the lien was filed. If the land is registered, the notice of lien shall be filed in the office of the registrar of titles of the county in which the property is registered. Notwithstanding any other law to the contrary, the county treasurer is exempt from the payment of fees when 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.

Subd. 3. [EXEMPT PROPERTY.] The lien imposed on personal property by this section, even though properly filed, is not enforceable against the personal property listed as exempt in sections 550.37, 550.38, and 550.39, but manufactured homes otherwise exempt under section 550.37, subdivision 12, are subject to lien under this section.

Subd. 4. [PERIOD OF LIMITATIONS.] Notwithstanding any other law to the contrary, the lien imposed by this section is enforceable from the time the lien arises and for ten years from the date of filing the notice of lien. The notice of lien must be filed by the county treasurer within five years after the date of assessment of the tax. A notice of lien filed in one county may be transcribed to any other county within ten years after the date of its filing, but the transcription does not extend the period during which the lien is enforceable. A notice of lien may be renewed by the county treasurer before the expiration of the ten-year period for an additional ten years. The taxpayer must receive written notice of the renewal.

Subd. 5. [ENFORCEABILITY OF LIEN.] The lien imposed by this

section is enforceable by levy as authorized in section 277.21, or by judgment lien foreclosure as authorized in chapter 550.

Subd. 6. [NOTICE OF MORTGAGE FORECLOSURE OR CONTRACT TERMINATION.] If a lien has been filed by the county treasurer against real property under this section, and, after the recording of the lien, 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, notice of the mortgage foreclosure or termination of contract of sale must be mailed to the county treasurer at least 25 days before the foreclosure, sale, or date of termination. Notice need not be given under this subdivision if the lien has been filed within 30 days or less before the foreclosure, sale, or date of termination. The notice 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 county treasurer; (4) the total unpaid balance of the mortgage or contract for deed; and (5) a legal description of the property. Upon a request of a party providing notice under this subdivision, the county treasurer shall send to the party within one business day of receiving the notice a receipt for the notice.

Subd. 7. [FILING ENTITLEMENT.] Execution of notices of liens or of other notices affecting personal property tax liens by the county treasurer or a delegate entitles them to be filed, and no other attestation, certification, or acknowledgment is necessary.

Subd. 8. [LIEN SEARCH FEES.] Upon request of a person, the filing officer shall issue a certificate showing whether there is on file, on the date and hour stated in the certificate, any notice of lien or certificate or notice affecting any lien filed after December 31, 1991, naming a particular person, and giving the date and hour of filing of each notice or certificate naming the person. The fee for a certificate is as provided by section 336.9-407 or 357.18, subdivision 1, clause (3). Upon request, the filing officer shall furnish a copy of any notice of lien, or notice or certificate affecting a lien, for a fee of \$1 per page.

Sec. 5. [277.21] [LEVY AND DISTRAINT.]

Subdivision 1. [COLLECTION AUTHORITY OF THE COUNTY TREASURER.] If a tax assessed on personal property or manufactured homes and collectible under this chapter is not paid when due, the county treasurer shall, as soon as practicable, take action the county treasurer considers necessary and reasonable to collect the delinquent tax. By mutual agreement, the county treasurer may use the services of the district court or the central collection unit of the county to effect collection. In addition, by inclusion and not limitation, the county treasurer may request a writ of execution to enforce any tax judgment or may levy and seize property under authority

granted by this section. Taxes may be collected by the county treasurer within five years after the date of assessment of the tax, or if a lien has been filed, within 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 of the person liable for the payment of the tax. However, the right to levy does not extend to property that is exempt from execution under sections 550.37, 550.38, and 550.39, but manufactured homes otherwise exempt per section 550.37, subdivision 12, are subject to levy and sale under this section. The term "levy" includes the power of distraint and seizure by any means. For this purpose, the term "tax" includes penalty, interest, and costs properly payable.

Subd. 2. [NOTICE AND DEMAND; JEOPARDY COLLECTION.] At least 30 days before a levy is made, notice and demand for payment of the amount due must be given to the person liable for the payment or collection of the tax. If the county treasurer has reason to believe that collection of the tax is in jeopardy, notice and demand for immediate payment of the tax may be made by the county treasurer. If the tax is not paid, the county treasurer may proceed to collect by levy without regard to the 30-day period or the due date.

If collection of tax on personal property or manufactured homes is in jeopardy because of removal from the county or other reasons before the time that the taxes are calculated for the property for the current tax year, the county auditor shall immediately determine the amount of tax by applying the latest available levy rate and market value and shall notify the county treasurer of the amount of tax in jeopardy. The county treasurer may levy and seize the property without regard to prior notice or due date.

The notice required under this subdivision must be sent to the taxpayer's last known address and must include a brief statement that states in simple and nontechnical terms: (1) the administrative appeals available to the taxpayer with respect to the levy and sale; and (2) the alternatives available to the taxpayer that can prevent a levy, including an installment payment agreement under section 277.23.

Subd. 3. [MANNER OF EXECUTION AND SALE.] In making the execution of the levy and in collecting the taxes due, the county treasurer has all of the powers in chapter 550 and in any other law for purposes of effecting an execution against property in this state. The sale of property levied upon, and the time and manner of redemption therefrom, must be consistent with authority granted to the commissioner of revenue to collect state taxes under sections 270.70 to 270.709. The seal of the court, subscribed by the court administrator, as provided in section 550.04, is not required. The

levy for collection of taxes may be made, whether or not a legal action for collection of the taxes has been commenced.

Subd. 4. [STAY OF SALE.] (a) Except for a jeopardy collection under subdivision 2, property shall not be seized for collection of tax until the time has expired for filing an appeal of the assessment with the tax court under chapter 277, or section 274.19 in the case of a manufactured home. If a jeopardy assessment has been made, the owner may file an appeal with the tax court within 30 days after the notice of assessment is issued by the county. The notice shall advise the owner of the right of appeal. If a timely appeal has been filed, no sale may be made unless the taxes remain unpaid for a period of more than 30 days after final determination of the appeal by the tax court or by the appropriate judicial forum.

(b) Notwithstanding paragraph (a), seized property may be sold if:

(1) the taxpayer consents in writing to the sale; or

(2) the county treasurer determines that the property is perishable or may become greatly reduced in price or value by keeping, or that the property cannot be kept without great expense.

Subd. 5. [PROBATE COURT JURISDICTION.] If a levy has been made to collect taxes under this section and the property seized is properly included in a formal proceeding commenced under sections 524.3-401 to 524.3-505 and maintained under full supervision of the court, the property may not be sold until the probate proceedings are completed or until the court so orders.

Subd. 6. [BOND OR SECURITY TO RELEASE A SEIZURE.] The property seized must be returned to the owner if the owner gives a surety bond equal to the appraised value of the owner's interest in the property, or deposits with the county treasurer security in a form and amount that is necessary to ensure payment of the liability, but not more than twice the liability.

Subd. 7. [INJUNCTION.] Notwithstanding any other provision to the contrary, if a levy or sale under this section would irreparably injure rights in property that the court determines to be superior to rights of the taxing districts in the property, the district court may grant an injunction to prohibit the enforcement of the levy or to prohibit a sale.

Subd. 8. [PERSONAL LIABILITY.] A person who fails or refuses to surrender without reasonable cause any property or rights to property subject to levy, upon demand by the county treasurer, is personally liable to the treasurer in an amount equal to the value of the property or rights not so surrendered, but not exceeding the amount of taxes for the collection of which the levy has been made.

Any amount recovered under this subdivision must be credited against the tax liability for the collection of which the levy was made.

Subd. 9. [PENALTY.] In addition to the personal liability imposed by subdivision 8, if a person required to surrender property or rights to property fails or refuses to surrender the property or rights to property without reasonable cause, the person is liable for a penalty equal to 25 percent of the amount recoverable under subdivision 8. No part of the penalty may be credited against the tax liability for the collection of which the levy was made.

Subd. 10. [PERSON DEFINED.] The term "person" as used in subdivision 8 includes an officer or employee of a corporation or a member or employee of a partnership who, as an officer, employee, or member is under a duty to surrender the property or rights to property or to discharge the obligation. The county attorney shall take appropriate action against any person who has failed to comply with subdivision 8 or 9.

Subd. 11. [OPTIONAL REMEDY.] An action taken by the county treasurer under this section does not constitute an election to pursue a remedy to the exclusion of any other remedy.

Subd. 12. [EQUITABLE RELIEF.] Upon the seizure of property of a person, that person may, upon giving 48-hours notice to the county treasurer and to the court, bring a claim for equitable relief before the district court for the release of the property to the taxpayer upon terms and conditions the court considers equitable.

Subd. 13. [LEVY AND SALE BY SHERIFF.] If a tax collectible under this chapter is not paid as provided in subdivision 1 or 2, the county treasurer may, within the time prescribed for collection in subdivision 1, delegate authority by issuing a warrant to the sheriff of a county in the state of Minnesota directing the sheriff as the county treasurer's agent to levy on and sell the real and personal property of the person liable for the payment of the tax and to return the warrant and pay to the county treasurer the money collected within 120 days from the date of the warrant.

The sheriff shall proceed under authority of the warrant to levy on and seize any property and rights to property in the county belonging to the person liable for the payment of the tax, except that the right to levy and seizure does not extend to property that is exempt from execution under sections 550.37, 550.38, and 550.39, but manufactured homes otherwise exempt under section 550.37, subdivision 12, are subject to levy under this section. The sheriff shall sell so much of the property levied on as is necessary to satisfy the amount of the warrant and the sheriff's costs.

Sales procedures, and the time and manner of redemption from

them, must be consistent with the procedures in sections 270.701 to 270.709 for warrants issued by the commissioner of revenue. The sale proceeds, less the sheriff's costs, must be turned over to the county treasurer who issued the warrant. The proceeds must be applied as provided in section 270.708.

Subd. 14. [PRIORITY OF LEVY.] Notwithstanding section 52.12, a levy by the county treasurer made under this section on a taxpayer's funds on deposit in a financial institution located in this state, has priority over an unexercised right of setoff of the financial institution to apply the levied funds toward the balance of an outstanding loan or loans owed by the taxpayer to the financial institution. A claim by the financial institution that it exercised its right to setoff before the levy must be substantiated by evidence of the date of the setoff, and must be verified by the sworn statement of a responsible corporate officer of the financial institution. Furthermore, for purposes of determining the priority of a levy made under this section, the levy must be treated as if it were an execution made under chapter 550.

Subd. 15. [EFFECT OF HONORING LEVY.] A person in possession of, or obligated with respect to, property or rights to property subject to levy on which a levy has been made who, upon demand by the county treasurer or agent, surrenders the property or rights to property, or pays a liability under subdivision 8, must be discharged from any obligation or liability to the person liable for the payment or collection of the delinquent tax with respect to the property or rights to property so surrendered or paid.

Subd. 16. [NOTICE OF LEVY.] Notwithstanding any other law to the contrary, the notice of a levy authorized by this section may be served by mail or by delivery by an employee or agent of the county treasurer.

Sec. 6. [277.22] [ADJUSTMENT OF TAX LIABILITY.]

If the amount of tax determined under section 277.21, subdivision 2, is greater than the corrected tax computed by applying the proper value and levy rate, the excess must be refunded to the person paying the tax. If the amount paid is less, the deficiency must be collected in the same manner as other personal property taxes not collected.

Sec. 7. [277.23] [CONFESSION OF JUDGMENT FOR HOMESTEAD.]

Subdivision 1. [PROCEDURE.] The owner or another person having an interest in a manufactured home classified and taxed as a homestead may confess judgment and pay the delinquent personal property tax on the manufactured home in installments in the general manner provided in section 279.37 for real property tax. The

provisions of section 279.37 apply to these confessions of judgment and installment payments, except as otherwise provided in this section. A down payment must be tendered of 20 percent of the amount of taxes, costs, penalty, and interest accrued to the date of tender. The balance of the judgment must be paid in four equal annual installments, plus interest on the unpaid balance as provided in this chapter.

The confession of judgment must be substantially in the following form:

“To the court administrator of the district court of county:

Name of taxpayer:

Location of manufactured home (county):

Description of property:

Tax Year
(start with the most
recent tax year in
which you owe taxes)

Amount due
(total of delinquent
taxes, costs, interest,
and penalty)

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I am the owner of the manufactured home described above.

I offer to confess judgment on the following amount of the delinquent taxes on the property named above:

Amount to be paid: \$.....

I direct the court to enter judgment for that amount.

I waive all irregularities in the tax proceedings affecting these taxes, and I waive any defense or objection I may have to them.

I agree to pay 20 percent of the total amount now.

Amount paid now: \$.....

I agree to pay the balance of the amount in four equal annual installments. I agree to pay each installment on or before December 31 of each year after the year in which I file this form.

I agree to pay interest as provided in Minnesota Statutes, chapter 277. I agree that the interest is payable annually on the installments remaining unpaid.

I agree to pay current taxes each year before they become delinquent, unless I contest the taxes under Minnesota Statutes, chapter 277. If I do contest them, I agree to pay the amount decided by the tax court within 30 days after the court enters its final judgment in the proceedings.

Date:

Signature of taxpayer:"

Upon receipt of the signed confession of judgment and the required payment, the county treasurer shall file the confession of judgment with the court administrator of the district court. When entered by the court administrator, the judgment has the same force and effect of other civil judgments in personam.

Subd. 2. [BILLING.] The county treasurer shall give notice by mail before December 1 of each year to the person making a confession of judgment at the address given in it of the payment due under the confession on the following December 31. If the county treasurer has not received the installment payment by December 31, the treasurer shall give notice by certified mail at the last known address of the person making the confession of judgment, without regard to the county or state of the person's residency. This notice must state that the property is subject to levy and sale if payment is not made for the preceding December 31 within 60 days. Failure to send or receive the notice does not postpone any payment or excuse any default under the confession of judgment. Proof of mailing must be made by the certificate of the county treasurer filed in the treasurer's office.

Subd. 3. [FEES.] The party making a confession of judgment shall pay the county treasurer a fee as set by the county board to defray the costs of processing the confession of judgment and making the annual billings required. Fees as set by the county board must be paid to the court administrator of the court for entry of judgment and for the entry of each full or partial release of the confession of judgment. Fees must be credited to the general revenue fund of the county.

Sec. 8. [277.24] [UNCOLLECTED TAXES.]

If at any time in the collection proceedings the county treasurer is satisfied that the tax cannot be collected for any reason or finds that the collection costs are excessive in comparison to the amount of tax involved, the treasurer may cancel the taxes due. A list of canceled

taxes must be kept by the treasurer for a period of six years. The list must identify the taxpayer, the amount of uncollectible liability, and the reason for uncollectibility.

Sec. 9. [STUDY.]

The department of revenue shall study the issue of taxation of manufactured homes and report its specific recommendations to the legislature by March 1, 1993. The study shall include a review of the tax escrow requirements in section 1, and recommendations on the creation and enforcement of tax liens on manufactured homes. The department shall consult with the appropriate committees of the legislature and the Minnesota state bar association in conducting this study.

Sec. 10. [REPEALER.]

Minnesota Statutes 1990, sections 272.50; 272.51; 272.52; 272.53; 277.02; 277.03; 277.05; 277.06; 277.07; 277.08; 277.09; 277.10; 277.11; 277.12; and 277.13, are repealed.

Sec. 11. [EFFECTIVE DATE.]

Section 2 is effective for taxes payable in 1992 and thereafter. Section 3 is effective for taxes becoming delinquent in 1992 and thereafter.

Sections 4 to 8 and 10 are effective January 1, 1992, but the liens shall be enforceable only for taxes payable after January 1, 1992. A levy authorized by this article may be made to collect any tax remaining unpaid on the effective date, whether or not the tax is included in a judgment. Liens arising under Minnesota Statutes, section 272.50, shall remain in force until taxes are paid, notwithstanding repeal of Minnesota Statutes, section 272.50.

ARTICLE 15
COLLECTIONS

Section 1. Minnesota Statutes 1990, section 270.274, subdivision 1, is amended to read:

Subdivision 1. [ADMINISTRATIVE REVIEW.] Within five days after a jeopardy assessment or jeopardy collection is made to assess or collect a tax administered by the commissioner of revenue, the commissioner shall provide the taxpayer with a written statement of the information relied on in making the assessment or levy. Within 30 days after the written statement is provided or, if not provided, within 35 days after the assessment or levy, the taxpayer may request the commissioner to review the action taken. After a request

for review, the commissioner shall determine whether the assessment or levy is reasonable and whether the amount assessed or demanded as a result of the action is appropriate under the circumstances.

Sec. 2. Minnesota Statutes 1990, section 270.66, subdivision 3, is amended to read:

Subd. 3. [AGENCIES SHALL MAINTAIN RECORDS.] Notwithstanding any provision to the contrary, every person, organization, or corporation doing business (hereafter called vendor) with the state of Minnesota or any of its departments, agencies, or educational institutions including the University of Minnesota (all hereafter called agency) shall provide that agency with either their social security number, federal taxpayer identification number, or Minnesota tax identification number. The agency shall maintain records of this information, and shall make these records available, on request, to the commissioner for the sole purpose of identifying people who have not filed state tax returns or who have not paid uncontested state tax liabilities (hereafter called delinquent taxpayer). When an agency is notified by the commissioner that a vendor is a delinquent taxpayer, payments shall not be made by the agency to the vendor until the commissioner notifies the agency that the vendor no longer is a delinquent taxpayer. Furthermore, if the vendor has an uncontested delinquent tax liability, the setoff provided in subdivision 1 may be implemented. The commissioner shall determine that a vendor no longer is a delinquent taxpayer when the vendor has filed all delinquent state tax returns, paid all uncontested state tax liabilities or entered into an agreement with the commissioner which provides for the payment of these liabilities.

Sec. 3. Minnesota Statutes 1990, 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 or enforce 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 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 of it, the taxpayer shall serve an answer 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 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. If a proceeding is referred to a county attorney, and the county attorney fails to issue or cause to be issued an indictment or criminal complaint within 30 days after the referral by the commissioner, 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.

In addition to the procedure in this subdivision, legal action may be commenced by the commissioner in district court in the same manner or venue as any other civil action.

Sec. 4. Minnesota Statutes 1990, section 270.69, is amended by adding a subdivision to read:

Subd. 13. [FORTY-FIVE DAY RULE.] A notice of tax lien filed under this section has priority over a security interest arising under

article 9 of the Uniform Commercial Code, codified as sections 336.9-101 to 336.9-508, that is perfected before the date of filing of the lien imposed by this section, but only if:

(1) the perfected security interest secures property acquired by the taxpayer or advances made by the secured party after the notice of tax lien is filed; and

(2) the property is acquired or the advance is made after the 45th day following the day on which the notice of tax lien is filed, or after the secured party has actual notice or knowledge of the tax lien filing, whichever is earlier.

Sec. 5. Minnesota Statutes 1990, section 270.70, subdivision 10, is amended to read:

Subd. 10. [PERSON DEFINED.] The term "person" as used in subdivision 8 includes an officer or employee of a corporation or a member or employee of a partnership who, as such officer, employee or member is under a duty to surrender the property or rights to property or to discharge the obligation. The personal liability imposed by subdivision 8 and the penalty imposed by subdivision 9 may, after demand to honor a levy has been made, be assessed by the commissioner within 60 days after service of the levy demand. An assessing tax order under this subdivision shall be appealable to the tax court without payment of the tax, penalty, or interest in the manner provided by law, but an appeal shall not preclude the commissioner from exercising any collection action the commissioner deems necessary to preserve the interests of the state while the matter is pending.

Sec. 6. Minnesota Statutes 1990, section 270.703, subdivision 2, is amended to read:

Subd. 2. [REDEMPTION OF REAL ESTATE AFTER SALE.] The owners of any real property sold as provided in this section, their heirs, executors, or administrators, or any person having any interest therein, or a lien thereon, or any person in their behalf, shall be permitted to redeem the property sold, or any particular tract of the property, at any time within 6 months, or in case the real property sold exceeds 10 acres in size, at any time within 12 months, after the sale thereof. The property or tract of property shall be permitted to be redeemed upon payment to the purchaser (or if not found in the county in which the property to be redeemed is situated, then to the commissioner, for the use of the purchaser, or the purchaser's heirs or assigns) of the amount paid by the purchaser together with interest at the rate specified in section ~~549.09~~ from the date of the sale 20 percent per annum.

Sec. 7. Minnesota Statutes 1990, section 270.75, subdivision 4, is amended to read:

Subd. 4. There shall be added to the amount of any underpayment of estimated income tax, computed pursuant to chapter ~~290~~ 289A, an amount in lieu of interest. The amount in lieu of interest for that taxable year shall be the amount determined in subdivision 5 for January 1 on which begins the taxable year or precedes the beginning of the taxable year. The amount in lieu of interest does not bear interest after the due date of the return for that taxable year.

Sec. 8. Minnesota Statutes 1990, section 289A.37, subdivision 1, is amended to read:

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. When no return has been filed, the commissioner may make a return for the taxpayer under section 289A.35 or may send an order of assessment under this subdivision. 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.65.

(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.65, within 60 days following the determination of the appeal.

Sec. 9. Minnesota Statutes 1990, section 289A.42, subdivision 1, is amended to read:

Subdivision 1. [EXTENSION AGREEMENT.] If before the expiration of time prescribed in sections 289A.38 and 289A.40 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. The taxpayer and the commissioner may also agree to extend the period for collection of the tax.

Sec. 10. Minnesota Statutes 1990, section 289A.60, is amended by adding a subdivision to read:

Subd. 20. [PENALTY FOR PROMOTING ABUSIVE TAX SHELTERS.] Any person who:

(1)(i) organizes or assists in the organization of a partnership or other entity, an investment plan or arrangement, or any other plan or arrangement, or (ii) participates in the sale of any interest in an entity or plan or arrangement referred to in clause (i); and

(2) makes or furnishes in connection with the organization or sale a statement with respect to the allowability of a deduction or credit, the excludability of income, or the securing of any other tax benefit by reason of holding an interest in the entity or participating in the plan or arrangement that the person knows or has reason to know is false or fraudulent concerning any material matter, shall pay a penalty equal to the greater of \$1,000 or 20 percent of the gross income derived or to be derived by the person from the activity.

The penalty imposed by this subdivision is in addition to any other penalty provided by this section. The penalty must be collected in the same manner as any delinquent income tax. In a proceeding involving the issue of whether or not any person is liable for this penalty, the burden of proof is upon the commissioner.

Sec. 11. Minnesota Statutes 1990, section 290.92, is amended by adding a subdivision to read:

Subd. 6b. [JEOPARDY ASSESSMENTS.] The commissioner, on having reason to believe that the collection of the tax under this section, section 290.923, or chapter 289A will be jeopardized by delay, may immediately assess the tax, whether or not the time prescribed by law for making and filing the return and paying the tax has expired.

Sec. 12. [REPEALER.]

Minnesota Statutes 1990, sections 290.48, subdivisions 5 and 8; and 297A.39, subdivision 9, are repealed.

Sec. 13. [EFFECTIVE DATES.]

Sections 1, 2, 5, 7 to 10, and 12 are effective the day following final enactment.

Sections 3 and 11 are effective on the effective date of Laws 1990, chapter 480, article 1, section 45, in order that repealed provisions authorizing ordinary civil actions for the collection of taxes and jeopardy withholding tax assessments are replaced, with no lapse in time during which the repealed provisions and these sections are enforceable.

Section 4 is effective for liens filed on or after July 1, 1991.

Section 6 is effective for sales of seized property on or after August 1, 1991.

ARTICLE 16

ELECTRONIC FUNDS TRANSFERS

Section 1. Minnesota Statutes 1990, section 115B.24, subdivision 2, is amended to read:

Subd. 2. [DECLARATIONS OF ESTIMATED TAX.] For 1983, every generator of hazardous waste required to pay a tax pursuant to section 115B.22 shall make a declaration of estimated hazardous waste generated for the last six months of calendar year 1983 if the tax can reasonably be estimated to exceed \$500. The declaration of the estimated tax shall be filed by October 15, 1983. The amount of estimated tax with respect to which a declaration is required shall be paid in two equal installments by October 15, 1983 and January 15, 1984. For 1984 and subsequent years, every generator of hazardous waste required to pay a tax pursuant to section 115B.22 shall make a declaration of estimated hazardous waste generated for the calendar year if the tax can reasonably be expected to be in excess of \$1,000. The declaration of estimated tax shall be filed by March 15. The amount of estimated tax with respect to which a declaration is required shall be paid in four equal installments on or before the 15th day of March, June, September, and December.

An amendment of a declaration may be filed in any interval between installment dates prescribed above but only one amendment may be filed in each interval. If an amendment of a declaration is filed, the amount of each remaining installment shall be the amount which would have been payable if the new estimate had been made when the first estimate for the calendar year was made, increased or decreased, as the case may be, by the amount computed by dividing

(1) the difference between (A) the amount of estimated tax required to be paid before the date on which the amendment was made, and (B) the amount of estimated tax which would have been required to be paid before that date if the new estimate had been made when the first estimate was made, by

(2) the number of installments remaining to be paid on or after the date on which the amendment is made.

The commissioner of revenue may grant a reasonable extension of time for filing any declaration but the extension shall not be for more than six months.

If the aggregate amount of estimated tax payments made during

a fiscal year ending June 30 is equal to or exceeds \$80,000, all estimated tax payments in the subsequent calendar year must be paid by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the estimated tax payment is due. If the date the estimated tax payment is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the estimated tax payment is due.

Sec. 2. Minnesota Statutes 1990, section 289A.20, subdivision 1, is amended to read:

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.18, subdivision 1, or the extended due date as provided in section 289A.19, 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.

A corporation required to make estimated tax payments by means of an electronic funds transfer must also make the payment with the return in accordance with section 289A.26, subdivision 2a.

(b) Entertainment taxes must be paid on or before the date the return must be filed under section 289A.18, subdivision 1.

Sec. 3. Minnesota Statutes 1990, section 289A.20, subdivision 2, is amended to read:

Subd. 2. [WITHHOLDING FROM WAGES, ENTERTAINER WITHHOLDING, WITHHOLDING FROM PAYMENTS TO OUT-OF-STATE CONTRACTORS, AND WITHHOLDING BY PARTNERSHIPS AND SMALL BUSINESS CORPORATIONS.] (a) A tax required to be deducted and withheld during the quarterly period must be paid on or before the last day of the month following the close of the quarterly period, unless an earlier time for payment is provided. A tax required to be deducted and withheld from compensation of an entertainer and from a payment to an out-of-state contractor must be paid on or before the date the return for such tax must be filed under section 289A.18, subdivision 2. Taxes required to be deducted and withheld by partnerships and S corporations must be paid on or before the date the return must be filed under section 289A.18, subdivision 2.

(b)(1) Unless clause (2) applies, if during any calendar month, other than the last month of the calendar quarter, the aggregate amount of the tax withheld during that quarter under section 290.92, subdivision 2a or 3, or 290.923, subdivision 2, exceeds \$500, the employer shall deposit the aggregate amount with the commissioner within 15 days after the close of the calendar month. (2) If at the close of any eighth-monthly period the aggregate amount of undeposited taxes is \$3,000 or more, the employer, or person withholding tax under section 290.92, subdivision 2a or 3, or 290.923, subdivision 2, shall deposit the undeposited taxes with the commissioner within three banking days after the close of the eighth-monthly period. For purposes of this clause, the term "eighth-monthly period" means the first three days of a calendar month, the fourth day through the seventh day of a calendar month, the eighth day through the 11th day of a calendar month, the 12th day through the 15th day of a calendar month, the 16th day through the 19th day of a calendar month, the 20th day through the 22nd day of a calendar month, the 23rd day through the 25th day of a calendar month, or the part of a calendar month following the 25th day of the month.

(c) The commissioner may prescribe by rule other return periods or deposit requirements. In prescribing the reporting period, the commissioner may classify payors according to the amount of their tax liability and may adopt an appropriate reporting period for the class that the commissioner judges to be consistent with efficient tax collection. In no event will the duration of the reporting period be more than one year.

(d) If less than the correct amount of tax is paid to the commissioner, proper adjustments with respect to both the tax and the amount to be deducted must be made, without interest, in the manner and at the times the commissioner prescribes. If the underpayment cannot be adjusted, the amount of the underpayment will be assessed and collected in the manner and at the times the commissioner prescribes.

(e) If the aggregate amount of the tax withheld during a fiscal year ending June 30 under section 290.92, subdivision 2a or 3, is equal to or exceeds \$240,000, the employer must remit each required deposit in the subsequent calendar year by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the deposit is due. If the date the deposit is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the deposit is due.

Sec. 4. Minnesota Statutes 1990, section 289A.20, subdivision 4, is amended to read:

Subd. 4. [SALES AND USE TAX.] (a) The taxes imposed by chapter 297A are due and payable to the commissioner monthly on or before the 20th day of the month following the month in which the taxable event occurred or following another reporting period as the commissioner prescribes.

(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.

(d) A vendor having a liability of \$240,000 or more during a fiscal year ending June 30 must remit all liabilities in the subsequent calendar year by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the tax is due. If the date the tax is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the tax is due.

Sec. 5. Minnesota Statutes 1990, section 289A.26, is amended by adding a subdivision to read:

Subd. 2a. [ELECTRONIC FUNDS TRANSFER PAYMENTS.] If the aggregate amount of estimated tax payments made during a calendar year is equal to or exceeds \$80,000, all estimated tax payments in the subsequent calendar year must be paid by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the estimated tax payment is due. If the date the estimated tax payment is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the estimated tax payment is due.

Sec. 6. Minnesota Statutes 1990, section 296.14, subdivision 1, is amended to read:

Subdivision 1. [CONTENTS; PAYMENT OF TAX; SHRINKAGE ALLOWANCE.] On or before the 23rd day of each month, every person who is required to pay gasoline tax or inspection fee on petroleum products and every distributor shall file in the office of the commissioner at St. Paul, Minnesota, a report in a manner approved by the commissioner showing the number of gallons of petroleum products received by the reporter during the preceding calendar month, and such other information as the commissioner may require. The number of gallons of gasoline shall be reported in United States standard liquid gallons (231 cubic inches), except that the commissioner may upon written application therefor and for cause shown permit the distributor to report the number of gallons of such gasoline as corrected to a 60 degree Fahrenheit temperature. If such application is granted, all gasoline covered in such application and as allowed by the commissioner must continue to be reported by the distributor on the adjusted basis for a period of one year from the date of the granting of the application. The number of gallons of petroleum products other than gasoline shall be reported as originally invoiced.

Each report shall show separately the number of gallons of aviation gasoline received by the reporter during such calendar month.

Each report shall be accompanied by remittance covering inspection fees on petroleum products and gasoline tax on gasoline received by the reporter during the preceding month; provided that in computing such tax a deduction of three percent of the quantity of gasoline received by a distributor shall be made for evaporation and loss; provided further that at the time of remittance the distributor shall submit satisfactory evidence that one-third of such three percent deduction shall have been credited or paid to dealers on quantities sold to them. The report and remittance shall be deemed to have been filed as herein required if postmarked on or before the 23rd day of the month in which payable.

Each report shall contain a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid.

If the aggregate remittances made during a fiscal year ending June 30 equal or exceed \$240,000, all remittances in the subsequent calendar year must be made by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the remittance is due. If the date the remittance is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the remittance is due.

Sec. 7. Minnesota Statutes 1990, section 297.03, subdivision 6, is amended to read:

Subd. 6. [TAX METER MACHINES; STAMPING MACHINES.]
(a) Before July 1, 1990, the commissioner may authorize any person licensed as a distributor to stamp packages with a tax meter machine, approved by the commissioner, which shall be provided by the distributor. The commissioner may provide for the use of such a machine by the distributor, supervise and check its operation, provide for the payment of the tax on any package so stamped, subject to the discount provided in subdivision 5.

(b) After June 30, 1990, the commissioner shall require any person licensed as a distributor to stamp packages with a heat-applied tax stamping machine, approved by the commissioner, which shall be provided by the distributor. The commissioner shall supervise and check the operation of the machines and shall provide for the payment of the tax on any package so stamped, subject to the discount provided in subdivision 5. The commissioner may sell heat-applied stamps on a credit basis under conditions prescribed by the commissioner. The stamps shall be sold by the commissioner at a price which includes the tax after giving effect to the discount provided in subdivision 5. The commissioner shall recover the actual costs of the stamps from the distributor. A distributor having a liability of \$240,000 or more during a fiscal year ending June 30 must remit all liabilities purchased on a credit basis in the subsequent calendar year by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the tax is due. If the date the tax is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the tax is due.

(c) If the commissioner finds that a stamping machine is not affixing a legible stamp on the package, the commissioner may order the distributor to immediately cease the stamping process until the machine is functioning properly.

(d) The commissioner shall annually establish the maximum amount of heat applied stamps that may be purchased each month. Notwithstanding any other provisions of this chapter, the tax due on the return will be based upon actual heat applied stamps purchased during the reporting period.

Sec. 8. Minnesota Statutes 1990, section 297.35, subdivision 1, is amended to read:

Subdivision 1. On or before the 18th day of each calendar month every distributor with a place of business in this state shall file a return with the commissioner showing the quantity and wholesale sales price of each tobacco product (1) brought, or caused to be brought, into this state for sale; and (2) made, manufactured, or fabricated in this state for sale in this state, during the preceding

calendar month. Every licensed distributor outside this state shall in like manner file a return showing the quantity and wholesale sales price of each tobacco product shipped or transported to retailers in this state to be sold by those retailers, during the preceding calendar month. Returns shall be made upon forms furnished and prescribed by the commissioner and shall contain such other information as the commissioner may require. Each return shall be accompanied by a remittance for the full tax liability shown therein, less 1.5 percent of such liability as compensation to reimburse the distributor for expenses incurred in the administration of sections 297.31 to 297.39.

A distributor having a liability of \$240,000 or more during a calendar year must remit all liabilities in the subsequent fiscal year ending June 30 by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the tax is due. If the date the tax is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the tax is due.

Sec. 9. Minnesota Statutes 1990, section 297C.03, subdivision 1, is amended to read:

Subdivision 1. [MANNER AND TIME OF PAYMENT; PENALTIES; DEPOSIT OF TAX PROCEEDS.] The tax on wines and distilled spirits on which the excise tax has not been previously paid must be paid to the commissioner by persons liable for the tax on or before the 18th day of the month following the month in which the first sale is made in this state by a licensed manufacturer or wholesaler. Every person liable for the tax on wines or distilled spirits imposed by section 297C.02 must file with the commissioner on or before the 18th day of the month following first sale in this state by a licensed manufacturer or wholesaler a return in the form prescribed by the commissioner, and must keep records and render reports required by the commissioner. The commissioner may certify to the commissioner of public safety any failure to pay taxes when due as a violation of a statute relating to the sale of intoxicating liquor for possible revocation or suspension of license.

A person liable for an excise tax of \$240,000 or more during a fiscal year ending June 30 must remit all excise tax liabilities in the subsequent calendar year by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the excise tax is due. If the date the excise tax is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the excise tax is due.

Sec. 10. Minnesota Statutes 1990, section 297C.04, is amended to read:

297C.04 [PAYMENT OF TAX; MALT LIQUOR.]

The commissioner may by rule provide a reporting method for paying and collecting the excise tax on fermented malt beverages. The tax is imposed upon the first sale or importation made in this state by a licensed brewer or importer. The rules must require reports to be filed with and the excise tax to be paid to the commissioner on or before the 18th day of the month following the month in which the importation into or the first sale is made in this state, whichever first occurs. The rules must also require payments in June of 1987 and subsequent years according to the provisions of section 297C.05, subdivision 2.

A distributor who has title to or possession of fermented malt beverages upon which the excise tax has not been paid and who knows that the tax has not been paid, shall file a return with the commissioner on or before the 18th day of the month following the month in which the distributor obtains title or possession of the fermented malt beverages. The return must be made on a form furnished and prescribed by the commissioner, and must contain all information that the commissioner requires. The return must be accompanied by a remittance for the full unpaid liability shown on it.

A licensed brewer, importer, or distributor having an excise tax liability of \$240,000 or more during a fiscal year ending June 30 must remit all excise tax liabilities in the subsequent calendar year by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the excise tax is due. If the date the excise tax is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the excise tax is due.

Sec. 11. Minnesota Statutes 1990, section 349.212, subdivision 4, is amended to read:

Subd. 4. [PULL-TAB AND TIPBOARD TAX.] (a) There is imposed a tax on the sale of each deal of pull-tabs and tipboards sold by a licensed distributor. The rate of the tax is two percent of the ideal gross of the pull-tab or tipboard deal. The sales tax imposed by chapter 297A on the sale of the pull-tabs and tipboards by the licensed distributor is imposed on the retail sales price less the tax imposed by this subdivision. The retail sale of pull-tabs or tipboards by the organization is exempt from taxes imposed by chapter 297A and is exempt from all local taxes and license fees except a fee authorized under section 349.16, subdivision 4.

(b) The liability for the tax imposed by this section is incurred when the pull-tabs and tipboards are delivered by the distributor to the customer, to a common or contract carrier for delivery to the customer, or when received by the customer's authorized representative at the distributor's place of business, regardless of the distributor's method of accounting or the terms of the sale.

The tax imposed by this subdivision is imposed on all sales of pull-tabs and tipboards, except the following:

(1) sales to the governing body of an Indian tribal organization for use on an Indian reservation;

(2) sales to distributors licensed under this chapter;

(3) sales to distributors licensed under the laws of another state or of a province of Canada, as long as all statutory and regulatory requirements are met in the other state or province; and

(4) sales of promotional tickets as defined in section 349.12.

(c) Pull-tabs and tipboards sold to an organization that sells pull-tabs and tipboards under the exemption from licensing in section 349.214, 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.

(d) A distributor having a liability of \$240,000 or more during a fiscal year ending June 30 must remit all liabilities in the subsequent calendar year by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the tax is due. If the date the tax is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the tax is due.

Sec. 12. Minnesota Statutes 1990, section 473.843, subdivision 3, is amended to read:

Subd. 3. [PAYMENT OF FEE.] On or before the 20th day of each month each operator shall pay the fee due under this section for the previous month, using a form provided by the commissioner of revenue.

An operator having a fee of \$240,000 or more during a fiscal year

ending June 30 must pay all fees in the subsequent calendar year by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the fee is due. If the date the fee is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the fee is due.

Sec. 13. [EFFECTIVE DATE.]

Sections 1 to 12 are effective for payments due in the calendar year beginning January 1, 1992, based upon payments made in the fiscal year ending June 30, 1991.

ARTICLE 17

UNIFORM RECORDING OF STATE AND
FEDERAL TAX LIENS

Section 1. Minnesota Statutes 1990, section 268.161, subdivision 1, is amended to read:

Subdivision 1. [LIEN.] (a) Any contributions, benefit overpayments, or reimbursements due under this chapter and interest and penalties imposed with respect thereto, shall become a lien upon all the property, within this state, both real and personal, of the person liable therefor, from the date of assessment of the contribution, benefit overpayment, or reimbursement. The term "date of assessment" means the date a report was due or the payment due date of the notice of benefits charged to a reimbursable account.

(b)(1) The lien imposed by this section is not enforceable against any purchaser, mortgagee, pledgee, holder of a uniform commercial code security interest, mechanic's lien, or judgment lien creditor, until a notice of lien has been filed by the commissioner in the office of the county recorder of the county in which the property is situated, or in the case of personal property belonging to an individual who is not a resident of the state, or which is a corporation, partnership, or other organization, in the office of the secretary of state. When the filing of the notice of lien is made in the office of the county recorder, the fee for filing and indexing shall be as prescribed in sections 272.483 and 272.484.

(2) Notices of liens, lien renewals, and lien releases, in a form prescribed by the commissioner of jobs and training, may be filed with the county recorder or the secretary of state by mail, personal delivery, or by electronic transmission by the commissioner or a delegate into the computerized filing system of the secretary of state authorized under section 336.9-411. The secretary of state shall

transmit the notice electronically to the office of the county recorder, if that is the place of filing, in the county or counties shown on the computer entry. The filing officer, whether the county recorder or the secretary of state, shall endorse and index a printout of the notice in the same manner as if the notice had been mailed or delivered.

(3) County recorders and the secretary of state shall enter information relative to lien notices, renewals, and releases filed in their offices into the central data base of the secretary of state. For notices filed electronically with the county recorders, the date and time of receipt of the notice and county recorder's file number, and for notices filed electronically with the secretary of state, the secretary of state's recording information, must be entered by the filing officer into the central data base before the close of the working day following the day of the original data entry by the department of jobs and training.

(c) The lien imposed on personal property by this section, even though properly filed, is not enforceable against a purchaser with respect to tangible personal property purchased at retail or as against the personal property listed as exempt in sections 550.37, 550.38 and 550.39.

(d) A notice of tax lien filed pursuant to this section has priority over any security interest arising under chapter 336, article 9, which is perfected prior in time to the lien imposed by this section, but only if:

(1) the perfected security interest secures property not in existence at the time the notice of tax lien is filed; and

(2) the property comes into existence after the 45th day following the day on which the notice of tax lien is filed, or after the secured party has actual notice or knowledge of the tax lien filing, whichever is earlier.

(e) The lien imposed by this section shall be enforceable from the time the lien arises and for ten years from the date of filing the notice of lien. A notice of lien may be renewed by the commissioner before the expiration of the ten-year period for an additional ten years. The delinquent employer must receive notice of the renewal.

(f) The lien imposed by this section shall be enforceable by levy as authorized in subdivision 8 or by judgment lien foreclosure as authorized in chapter 550.

Sec. 2. Minnesota Statutes 1990, section 270.69, subdivision 2, is amended to read:

Subd. 2. [FILING OF LIENS NECESSARY FOR ENFORCEABILITY AGAINST CERTAIN PERSONS; METHODS OF FILING; FEES.] (a) 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 real property is situated, or in the case of personal property belonging to an individual who is not a resident of this state or 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.

(b)(1) Notices of liens, and lien releases, transcriptions, and renewals, in a form prescribed by the commissioner of revenue, may be filed with the county recorder or the secretary of state by mail, personal delivery, or by electronic transmission by the commissioner or a delegate into the computerized filing system of the secretary of state authorized under section 336.9-411. The secretary of state shall transmit the notice electronically to the office of the county recorder, if that is the place of filing, in the county or counties shown on the computer entry. The filing officer, whether the county recorder or the secretary of state, shall endorse and index a printout of the notice in the same manner as if the notice had been mailed or delivered.

(2) County recorders and the secretary of state shall enter information relative to lien notices, transcriptions, renewals, and releases filed in their offices into the central data base of the secretary of state. For notices filed electronically with the county recorders, the date and time of receipt of the notice and county recorder's file number, and for notices filed electronically with the secretary of state, the secretary of state's recording information, must be entered by the filing officer into the central data base before the close of the working day following the day of the original data entry by the department of revenue.

The filing and indexing of all notices must be in accordance with the filing and indexing of notices of federal liens, certificates of release, and refiled notices under section 272.483.

(c) Notwithstanding any other law to the contrary, the department of revenue is exempt from payment of fees when a lien, lien

renewal, or lien transcription is offered for recording. The recording fees must be paid along with the release fee at the end of the month in which the release of lien is recorded, after receipt of a monthly statement from a county recorder or the secretary of state. The department of revenue shall add the recording fees to the delinquent tax liability of the taxpayer. Notwithstanding any other law to the contrary, the fee for filing or recording a notice of lien, or lien release, transcription, or renewal is \$15.

(d) There is appropriated to the commissioner of revenue an amount representing the cost of payment of recording fees to the county recorders and the secretary of state. The commissioner shall keep a separate accounting of the costs and of payments for recording fees remitted by taxpayers, and make the records available to the legislature upon request.

Sec. 3. Minnesota Statutes 1990, 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. For purposes of this subdivision, transmission of notices under subdivision 2, paragraph (b), clause (1), constitutes execution.

Sec. 4. Minnesota Statutes 1990, section 270.69, subdivision 9, is amended to read:

Subd. 9. [LIEN SEARCH FEES.] Upon request of any person, the filing officer shall issue a certificate showing whether there is ~~on file~~ recorded in that filing office, on the date and hour stated in the certificate, any notice of lien or certificate or notice affecting any lien filed on or after June 30, 1979 ten years before the date of the search certificate, naming a particular person, and giving the date and hour of filing of each notice or certificate naming the person. The fee for a certificate shall be as provided by section 336.9-407 or 357.18, subdivision 1, clause (3). Upon request, the filing officer shall furnish a copy of any notice of state lien, or notice or certificate affecting a state lien, for a fee of 50 cents per page.

Sec. 5. Minnesota Statutes 1990, section 272.479, is amended to read:

272.479 [SCOPE.]

This section and sections 272.481 to ~~272.487~~ 272.488 apply only to federal tax liens and to other federal liens notices of which under any act of Congress or any regulation adopted pursuant thereto are

required or permitted to be filed in the same manner as notices of federal tax liens.

Sec. 6. Minnesota Statutes 1990, section 272.482, is amended to read:

272.482 [EXECUTION OF NOTICES AND CERTIFICATES.]

~~Certification~~ Execution of notices of liens, certificates, or other notices affecting federal liens by the secretary of the treasury of the United States or a delegate, or by any official or entity of the United States responsible for filing or certifying of notice of any other lien, entitles them to be filed and no other attestation, certification, or acknowledgment is necessary. For purposes of this section, transmission of notices under section 272.488, subdivision 1, constitutes execution.

Sec. 7. Minnesota Statutes 1990, section 272.483, is amended to read:

272.483 [DUTIES OF FILING OFFICER.]

(a) If a notice of federal lien, a refiling of a notice of federal lien, or a notice of revocation of any certificate described in clause (b) is presented to a filing officer who is:

(1) the secretary of state, the secretary shall cause the notice to be marked, held, and indexed ~~in accordance with the provisions of section 336.9 403, clause (4) of the uniform commercial code as if the notice were a financing statement within the meaning of that code~~ alphabetically and numerically; or

(2) any other officer described in section 272.481, the officer shall endorse identification thereon and the date and time of receipt and forthwith file it alphabetically or enter it in an alphabetical index showing the name and address of the person named in the notice, the date and time of receipt, the file number of the lien, and the total amount appearing on the notice of lien.

(b) If a certificate of release, nonattachment, discharge, or subordination of any lien is presented to the secretary of state for filing the secretary shall:

(1) cause a certificate of release or nonattachment to be marked, held, and indexed as if the certificate were a termination statement within the meaning of the uniform commercial code, but the notice of lien to which the certificate relates may not be removed from the files until ten years and 30 days after the filing date of the lien; and

(2) cause a certificate of discharge or subordination to be marked,

held, and indexed as if the certificate were a release of collateral within the meaning of the uniform commercial code.

(c) If a refiled notice of federal lien referred to in clause (a) or any of the certificates or notices referred to in clause (b) is presented for filing to any other filing officer specified in section 272.481, the officer shall permanently attach the refiled notice or the certificate to the original notice of lien and enter the refiled notice or the certificate with the date of filing in any alphabetical lien index on the line where the original notice of lien is entered.

(d) Upon request of any person, the filing officer shall issue a certificate showing whether there is ~~on file~~ recorded in that filing office, on the date and hour stated therein, any notice of lien or certificate or notice affecting any lien filed on or after July 1, 1971 ten years and 30 days before the date of the search certificate, naming a particular person, and if a notice or certificate is on file, giving the date and hour of filing of each notice or certificate. The fee for a certificate shall be that provided by section 336.9-407 or 357.18, subdivision 1, clause (3). Upon request, the filing officer shall furnish a copy of any notice of federal lien, or notice or certificate affecting a federal lien, for a fee of 50 cents per page.

Sec. 8. Minnesota Statutes 1990, section 272.485, is amended to read:

272.485 [UNIFORMITY OF APPLICATION AND CONSTRUCTION.]

Sections 272.481 to ~~272.487~~ 272.488 shall be so applied and construed as to effectuate its general purpose to make uniform the law with respect to the subject of sections 272.481 to 272.487 among those states which enact it.

Sec. 9. Minnesota Statutes 1990, section 272.486, is amended to read:

272.486 [SHORT TITLE.]

Section 272.479 and sections 272.481 to ~~272.487~~ 272.488 may be cited as the Uniform Federal Lien Registration Act.

Sec. 10. [272.488] [COMPUTERIZED FILING OF TAX LIENS AND NOTICES.]

Subdivision 1. [FILING OF NOTICES.] Notices of federal tax liens, certificates, or revocations of certificates of release of federal tax liens, and refiled notices of any of those items, in a form prescribed by the Internal Revenue Service, may be filed with the county recorder or the secretary of state by mail, personal delivery,

or by electronic transmission by the Secretary of the Treasury of the United States or a delegate into the computerized filing system of the secretary of state authorized under section 336.9-411. The secretary of state shall transmit the notice electronically to the office of the county recorder, if that is the place of filing, in the county or counties shown on the computer entry. The filing officer, whether the county recorder or the secretary of state, shall endorse and index a printout of the notice in the same manner as if the notice had been mailed or delivered.

Subd. 2. [ENTRY OF INFORMATION.] County recorders and the secretary of state shall enter information relative to lien notices, releases, revocations of release, and refillings of any of those items into the central data base of the secretary of state. For notices filed electronically with the county recorders, the date and time of receipt of the notice and county recorder's file number, and for notices filed electronically with the secretary of state, the secretary of state's recording information, must be entered by the filing officer into the central data base before the close of the working day following the day of the original data entry by the Internal Revenue Service.

Sec. 11. Minnesota Statutes 1990, section 336.9-411, is amended to read:

336.9-411 [COMPUTERIZED FILING SYSTEM.]

(a) The secretary of state shall develop and implement a statewide computerized filing system to accumulate and disseminate information relative to lien statements, financing statements, state and federal tax lien notices, and other uniform commercial code documents. The computerized filing system must allow information to be entered and retrieved from the computerized filing system by county recorders, the department of revenue, the department of jobs and training, and the Internal Revenue Service.

(b) County recorders shall enter information relative to lien statements, financing statements, state and federal tax lien notices, and other uniform commercial code documents filed in their offices into a central data base maintained by the secretary of state. The information must be entered under the rules of the secretary of state. This requirement does not apply to tax lien notices filed under sections 268.161, subdivision 1, paragraph (b), clause (2); 270.69, subdivision 2, paragraph (b), clause (2); and 272.488, subdivision 1, but does apply to entry of the date and time of receipt and county recorder's file number of those notices.

(c) The secretary of state may allow private parties to have electronic-view-only access to the computerized filing system and to other computerized records maintained by the secretary of state on a fee basis. If the computerized filing system allows a form of

electronic access to information regarding the obligations of debtors, the access must be available 24 hours a day, every day of the year.

(d) The secretary of state shall adopt rules to implement the computerized filing system. The secretary of state may adopt permanent and emergency rules. The rules must:

(1) allow filings to be made at the offices of all county recorders and the secretary of state's office as required by section 336.9-401;

(2) establish a central data base for all information relating to liens and security interests that are filed at the offices of county recorders and the secretary of state;

(3) provide procedures for entering data into a central data base;

(4) allow the offices of all county recorders and the secretary of state's office to add, modify, and delete information in the central data base as required by the uniform commercial code;

(5) allow the offices of all county recorders and the secretary of state's office to have access to the central data base for review and search capabilities;

(6) allow the offices of all county recorders to have electronic-view-only access to the computerized business information records on file with the secretary of state;

(7) require the secretary of state to maintain the central data base;

(8) provide security and protection of all information in the central data base and monitor the central data base to ensure that unauthorized entry is not allowed;

(9) require standardized information for entry into the central data base;

(10) prescribe an identification procedure for debtors and secured parties that will enhance lien and financing statement searches; and

(11) prescribe a procedure for phasing-in or converting from the existing filing system to a computerized filing system.

(e) The secretary of state, county recorders, and their employees and agents shall not be liable for any loss or damages arising from errors in or omissions from information entered into the computerized filing system as a result of the electronic transmission of tax lien notices under sections 268.161, subdivision 1, paragraph (b), clause (2); 270.69, subdivision 2, paragraph (b), clause (2); and 272.488, subdivision 1.

Sec. 12. Minnesota Statutes 1990, section 357.18, subdivision 2, is amended to read:

Subd. 2. Notwithstanding the provisions of any general or special law to the contrary, the fees prescribed by this section shall govern the filing or recording of all instruments in the office of the county recorder other than uniform commercial code documents, and documents filed or recorded pursuant to sections 270.69, subdivision 2, paragraph (c), 272.481 to ~~272.487~~ 272.488, and 386.77.

Sec. 13. Minnesota Statutes 1990, section 386.46, is amended to read:

386.46 [DISPOSAL OF OBSOLETE RECORDS.]

Documents, filed or recorded by the county recorder, including sheriffs certificates, land title patents, incorporations, official bonds, mechanics liens, affidavits, probate court orders, district court orders, satisfactions, warranty deeds, quitclaim deeds, lis pendens, assignments and miscellaneous documents, but still in possession because uncalled for by their owner for ten years after the filing or recording, may be destroyed by the county recorder. State and Federal liens, except federal estate and gift tax liens, may be destroyed ten years and 30 days, and state liens may be destroyed ten years after their filing or last extension and stricken from the indexes.

Sec. 14. Minnesota Statutes 1990, section 508.25, is amended to read:

508.25 [RIGHTS OF PERSON HOLDING CERTIFICATE OF TITLE.]

Every person receiving a certificate of title pursuant to a decree of registration and every subsequent purchaser of registered land who receives a certificate of title in good faith and for a valuable consideration shall hold it free from all encumbrances and adverse claims, excepting only the estates, mortgages, liens, charges, and interests as may be noted in the last certificate of title in the office of the registrar, and also excepting any of the following rights or encumbrances subsisting against it, if any:

(1) liens, claims, or rights arising or existing under the laws or the constitution of the United States, which this state cannot require to appear of record;

(2) the lien of any real property tax or special assessment for which the land has not been sold at the date of the certificate of title;

(3) any lease for a period not exceeding three years when there is actual occupation of the premises thereunder;

(4) all rights in public highways upon the land;

(5) the right of appeal, or right to appear and contest the application, as is allowed by this chapter;

(6) the rights of any person in possession under deed or contract for deed from the owner of the certificate of title;

(7) any outstanding mechanics lien rights which may exist under sections 514.01 to 514.17; and

(8) any lien for state taxes.

~~No existing or future liens or judgments arising under the laws of this state for the nonpayment of any amounts due under chapter 268 or any tax administered by the commissioner of revenue may encumber title to lands registered under this chapter unless filed under the terms of this chapter.~~

Sec. 15. Minnesota Statutes 1990, section 508A.25, is amended to read:

508A.25 [RIGHTS OF PERSON HOLDING CPT.]

Every person holding a CPT issued pursuant to sections 508A.01 to 508A.85 who has acquired title in good faith and for a valuable consideration shall hold the same free from all encumbrances and adverse claims, excepting only estates, mortgages, liens, charges, and interests as may be noted by separate memorials in the latest CPT in the office of the registrar, and also excepting the memorial provided in section 508A.351 and any of the following rights or encumbrances subsisting against the same, if any:

(1) Liens, claims, or rights arising or existing under the laws or the constitution of the United States, which this state cannot require to appear of record;

(2) The lien of any real property tax or special assessment for which the land has not been sold at the date of the CPT;

(3) Any lease for a period not exceeding three years when there is actual occupation of the premises under it;

(4) All rights in public highways upon the land;

(5) The rights of any person in possession under deed or contract for deed from the owner of the CPT;

(6) Any liens, encumbrances, and other interests that may be contained in the examiner's supplemental directive issued pursuant to section 508A.22, subdivision 2;

(7) Any claims that may be made pursuant to section 508A.17 within five years from the date the examiner's supplemental directive is filed on the CPT; ~~and~~

(8) Any outstanding mechanics lien rights which may exist under sections 514.01 to 514.17; and

(9) any lien for state taxes.

Sec. 16. [REPEALER.]

Minnesota Statutes 1990, section 272.487, is repealed.

Sec. 17. [EFFECTIVE DATE.]

Sections 1 to 3, 6, 10, 11, 14, and 15 are effective for liens and notices affecting liens filed on or after January 1, 1992. Sections 4, 5, 7 to 9, 12, 13, and 16 are effective the day following final enactment.

ARTICLE 18

AMBULANCE AND EMERGENCY SERVICES PERSONNEL

Section 1. Minnesota Statutes 1990, section 171.06, is amended by adding a subdivision to read:

Subd. 2b. [SURTAX IMPOSED.] A surtax of \$2 is imposed on classified drivers license and classified under 21 drivers licenses in subdivision 2. This surtax does not apply to duplicate drivers licenses. The surtax must be paid into the state treasury and credited to the emergency medical services personnel account established in section 2.

Sec. 2. Minnesota Statutes 1990, section 353D.01, is amended to read:

353D.01 [PUBLIC EMPLOYEES DEFINED CONTRIBUTION PLAN.]

Subdivision 1. [ESTABLISHMENT.] The public employees defined contribution plan is administered by the public employees retirement association under supervision of the association board of trustees. To assist it in governing the operations of the plan, the board may appoint an advisory committee of not more than nine

members who are representative of the employers and employees who participate in the plan.

Subd. 1a. [EMERGENCY MEDICAL SERVICES PERSONNEL ACCOUNT.] A separate account is created in the general fund to be known as the emergency medical services personnel account. The account consists of all funds deposited in the general fund from the drivers license surtax, and all funds forfeited under sections 8 and 9. Investment earnings on money in the account must be credited to the account.

Subd. 1b. [APPROPRIATION.] Money from the emergency medical services account is appropriated on January 1 each year to the public employees retirement association to fund the ambulance service personnel incentive program as provided in section 353D.031.

Subd. 2. [ELIGIBILITY.] (a) Except as provided in section 353D.11, eligibility to participate in the retirement plan is open to:

(1) an elected local government official of a governmental subdivision who elects to participate in the plan who is not a member of the public employees retirement association within the meaning of section 353.01, subdivision 7, and to;

(2) 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; and

(3) a person who qualifies to have an ambulance service personnel incentive payment made on the person's behalf under section 353D.031.

(b) For purposes of this chapter, an elected local government official includes a person appointed to fill a vacancy in an elective office. Elected local government official does not include an elected county sheriff. Except as provided in section 353D.11, elected local government officials and 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. 3. Minnesota Statutes 1990, section 353D.02, is amended to read:

353D.02 [ELECTION OF COVERAGE.]

Eligible (a) Elected local government officials eligible under

section 353D.01, subdivision 2, paragraph (a), clause (1), may elect to participate in the plan after being elected or appointed to a public office by filing an application to participate on a form prescribed by the executive director of the association. Participation begins on the first day of the month after the application is received in the association's office or on the date when the term of office commences, whichever date is later. An election to participate in the plan is irrevocable during incumbency in office.

Each (b) For personnel eligible under section 353D.01, subdivision 2, paragraph (a), clause (2), a public ambulance service or privately operated ambulance service that receives an operating subsidy from a governmental entity 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 election must be made within 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, whichever date is later. An election by a service or an individual is irrevocable.

(c) A person eligible under section 353D.01, subdivision 2, paragraph (a), clause (3), may elect to participate in the plan. The person must elect to participate or decline to participate by June 30, 1994, or by June 30 of the fiscal year after June 30, 1994, which the person first becomes qualified to have an ambulance service personnel incentive payment made on the person's behalf under section 353D.031.

Sec. 4. [353D.021] [PUBLIC EMPLOYEES RETIREMENT ASSOCIATION TO PROVIDE PLAN INFORMATION TO CERTAIN AMBULANCE ATTENDANTS.]

The public employees retirement association shall undertake all practical efforts to inform ambulance attendants, ambulance drivers, and ambulance service medical directors on an ongoing basis about the ambulance service personnel incentive program and their eligibility to elect to participate in this plan. The commissioner of health and the executive director of the state board of investment shall provide all reasonable assistance to the public employees retirement association in preparing relevant information on the incentive program and the plan.

Sec. 5. Minnesota Statutes 1990, section 353D.03, is amended to read:

353D.03 [FUNDING OF PLAN.]

(a) An eligible elected local government official eligible under section 353D.01, subdivision 2, paragraph (a), clause (1), who elects to participate in the public employees defined contribution plan

shall contribute an amount equal to five percent of salary as defined in section 353.01, subdivision 10. A participating elected local government official's governmental subdivision shall contribute a matching amount.

(b) A public ambulance service or privately operated ambulance service that receives an operating subsidy from a governmental entity that elects to participate in the plan shall fund benefits for its qualified personnel eligible under section 353D.01, subdivision 2, paragraph (a), clause (2), who individually elect to participate, except that personnel who are paid for their services may elect to make member contributions in an amount not to exceed the service's contribution on their behalf. Ambulance service contributions on behalf of salaried employees must be a fixed percentage of salary. An ambulance service making contributions for volunteer or largely uncompensated personnel may assign a unit value for each call or each period of alert duty for the purpose of calculating ambulance service contributions. ambulance service contributions. An ambulance service with personnel for whom funding is provided under the paragraph that has ambulance attendants, ambulance drivers, and ambulance service medical directors qualified to have an ambulance service personnel incentive payment made on the person's behalf under section 353D.031 may discontinue that funding if the ambulance service has given its participating personnel at least 18 months notice of its intent to discontinue its funding of the plan.

Sec. 6. [353D.031] [AMBULANCE SERVICE PERSONNEL INCENTIVE PROGRAM.]

Subdivision 1. [ADMINISTRATION.] The money credited in the emergency medical services personnel account must be allocated annually by the executive director of the public employees retirement association.

Subd. 2. [ELIGIBILITY FOR ALLOCATION.] (a) The money credited in the emergency medical services personnel account must be annually allocated on the basis of the number of qualified personnel and their credited service during the previous year ending June 30.

(b) The amount of revenue paid to the emergency medical services account since the effective date of this section or the date of the last allocation, whichever applies, plus any net investment income credited to the account, must be determined.

(c) The number of qualified personnel must be determined. Qualified personnel are ambulance attendants, ambulance drivers, and ambulance service medical directors who:

(1) are employed by or serving an ambulance service that is licensed as such by the state of Minnesota;

(2) perform all or a predominant portion of services in Minnesota or on behalf of Minnesota residents, as certified by the chief administrative officer of the ambulance service;

(3) are currently certified by the department of health as an ambulance attendant, ambulance driver, or ambulance service medical director and are certified as active by the chief administrative officer of the ambulance service;

(4) for the year in question, would be considered a volunteer attendant under section 144.8091, subdivision 2, except that the salary limit is \$3,000 for calendar year 1992, and is \$3,000 multiplied by the cumulative percentage increase in the national consumer price index for all urban wage earners published by the federal Department of Labor since December 31, 1992;

(5) for an ambulance service medical director, meets the salary limit set forth in clause (4) based only on the person's hourly stipends or salary for service as a medical director; and

(6) has credit for no more than 20 years of service.

(d) The amount of credited service by qualified personnel in the form of units must be determined. A year of service by a qualified person after the person elects to participate in the plan, or after January 1, 1992, whichever is later, is equal to two units. If a qualified person has service that would have qualified before the date of election of participation or January 1, 1992, whichever is later, the person must receive an additional one-fifth of a unit per year of that service for a maximum of five years, except that the person cannot receive credit for any year in which contributions were made by an ambulance service on the person's behalf under sections 353D.03 and 353D.04.

Subd. 3. [ALLOCATION.] The money available for allocation must be divided by the total number of units associated with qualified personnel to determine the dollar value of a unit. A qualified person is entitled to have deposited on the person's behalf in the person's individual account an amount equal to the dollar value of a unit multiplied by the person's number of units credited for that year under subdivision 2, paragraph (d).

Sec. 7. Minnesota Statutes 1990, section 353D.05, is amended to read:

353D.05 [INVESTMENT OF FUNDS.]

Subdivision 1. [INVESTMENT.] Employing unit contributions under section 353D.03 and ambulance service personnel incentive allocation under section 353D.031, after the deduction of an amount

for administrative expenses, and individual participant contributions must be remitted to the state board of investment for investment in the Minnesota supplemental investment fund established by section 11A.17.

Subd. 2. [INVESTMENT OPTIONS.] (a) An individual participant may elect to purchase shares in the income share account, the growth share account, the money market account, the bond market account, the guaranteed return account, or the common stock index account established by section 11A.17, or a combination of those accounts. The participant may elect to purchase shares in a combination of those accounts by specifying the percentage of the total contributions and ambulance service personnel incentive allocation to be used to purchase shares in each of the accounts.

(b) Twice in a calendar year, a participant may indicate in writing a choice of options for subsequent purchases of shares. After a choice is made, until the participant makes a different written indication, the executive director of the association shall purchase shares in the supplemental investment fund or funds specified by the participant. If no initial option is indicated by a participant, the executive director shall invest all contributions made by or on behalf of a participant in the income share account. A choice of investment options is effective no later than the first pay date occurring more than 30 days after receipt of the written choice of options.

(c) One month before the start of a new guaranteed investment contract, a participant may elect to transfer all or a portion of the participant's shares previously purchased in the income share, growth share, common stock index, bond market, or money market accounts to the new guaranteed investment contract in the guaranteed return account. If a partial transfer is made, a minimum of \$200 must be transferred and a minimum balance of \$200 must remain in the previously selected investment options. Upon expiration of a guaranteed investment contract, the participant's shares attributable to that contract must be transferred to a new guaranteed investment contract unless the executive director is otherwise directed by the participant. Shares in the guaranteed return account may not be withdrawn from the fund or transferred to another account until the guaranteed investment contract has expired, unless the participant qualifies for a benefit payment under section 353D.07.

(d) Twice in a calendar year, a participant or former participant may also change the investment options selected for all or a portion of the individual's previously purchased shares in accounts other than the guaranteed return account. If a partial transfer of previously purchased shares is selected, a minimum of \$200 must be transferred and a minimum balance of \$200 must remain in the previously selected investment option. A change under this para-

graph is effective as soon as cash flow to an account permits, but not later than six months from the requested change.

Subd. 3. [ADMINISTRATIVE EXPENSES.] The public employees retirement association may deduct an amount, ~~set annually by the executive director of the association, but not to exceed two percent of the employing unit contributions to the plan,~~ to defray the expenses of the association in administering the plan. The amount must be set annually by the executive director of the association, but not to exceed two percent of the total amount of the employing unit contributions to the plan and the ambulance service personnel incentive allocation received by the plan.

Sec. 8. [353D.051] [VESTING FOR INCENTIVE ALLOCATION.]

(a) Sixty months of service credit, accumulated after the date on which the person elects to participate in the plan, are required for vesting of retirement benefits under section 353D.07, other than on account of death, that are derived from ambulance service personnel incentive allocations under section 353D.031. These 60 months must be accumulated within 120 months of the first month of service credit earned after the date on which the person elects to participate in the plan. No minimum period of service is required for vesting of benefits under section 353D.07, on account of death, that are derived from ambulance service personnel incentive allocations under section 353D.031, once the person has elected to participate in the plan. 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 as provided in section 353D.07.

(b) Amounts derived from ambulance service personnel incentive allocations under section 353D.031 that are credited to a person's account are forfeited at the end of the 120th month after the first month of service credit earned after the date on which the person elects to participate in the plan, if the person does not have 60 months of service credit at that time. Funds forfeited must be added to the emergency medical services personnel account for the subsequent January 1 allocation under section 353D.031.

Sec. 9. Minnesota Statutes 1990, section 353D.06, is amended to read:

353D.06 [REPORTING.]

The executive director of the public employees retirement association shall prescribe the reporting forms required from employing units and the election forms required from participants. Reporting forms must contain names, identification numbers, amount of contribution by and on behalf of each participant, and such other data as is required to keep an accurate record of the account value of

each participant and to determine eligibility for aid allocations of ambulance service personnel incentive amounts under section 353D.031.

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 its members are not entitled to the ambulance service personnel incentive amount allocated for that year. Ambulance services that provide fraudulent information are subject to criminal prosecution.

Sec. 10. [353D.091] [FEDERAL REQUIREMENTS.]

Subdivision 1. [PLAN TAX QUALIFICATION AND STATUS.] The public employees retirement association shall seek a determination from the Internal Revenue Service regarding the tax qualification status of the incentive program and from the United States Department of Labor regarding whether the incentive program must comply with federal Employee Retirement Income Security Act (ERISA) requirements.

Subd. 2. [REPORT TO LEGISLATURE.] The executive director shall immediately report the results of each determination to the chairs of the senate governmental operations committee, house governmental operations committee, and legislative commission on pensions and retirement.

Subd. 3. [IMPLEMENTATION DELAY.] The association shall not credit participants with service units nor transfer money from the emergency medical services personnel account under section 353D.031, subdivision 1, into individual accounts unless written notification is received from (1) the Internal Revenue Service that implementation of the incentive program does not jeopardize the tax-exempt status of the defined contribution plan or a public pension plan under section 356.30, subdivision 3, and (2) the United States Department of Labor that the incentive program need not comply with federal ERISA requirements, including any requirements for tax-deferred treatment of contributions and interest earned on contributions.

Subd. 4. [RULES AND POLICIES.] If the incentive program receives favorable determinations from both the Internal Revenue Service and the United States Department of Labor, the association shall formulate and adopt rules or policies in accordance with the restrictions and standards of the Internal Revenue Code and rules and regulations of the Internal Revenue Service.

Sec. 11. [EFFECTIVE DATE.]

If the requirements under section 10 are met by June, 1992, sections 1 to 5 and 9 are effective July 1, 1992, and section 6 is effective January 1, 1993. If not, sections 1 to 10 are inoperative.

ARTICLE 19

REVERSE MORTGAGES

Section 1. Minnesota Statutes 1990, section 47.58, subdivision 6, is amended to read:

Subd. 6. [TAXES; INSURANCE.] The borrower shall pay real estate taxes, assessments and insurance premiums on the property securing the loan, and the lender may require the borrower to provide evidence of payment. Mortgage registry tax required under sections 287.01 to 287.12 must be paid at the time of the recording or registering of the original reverse mortgage. If the borrower does not make timely payment the lender may pay taxes, assessments, insurance premiums and other similar charges for the protection of the property securing its loan and may add these payments to the outstanding loan balance if not repaid by the borrower within 60 days after the borrower receives notice that the lender has made the payment.

Sec. 2. Minnesota Statutes 1990, section 287.05, is amended to read:

287.05 [TAX ON RECORDATION OR REGISTRATION; SUPPLEMENTAL MORTGAGES.]

Subdivision 1. [TAX IMPOSED.] A tax of 23 cents is imposed upon each \$100, or fraction thereof, of the principal debt or obligation which is or may be secured by any mortgage of real property situated within the state executed, delivered, and recorded or registered; provided, however, that the tax shall be imposed but once upon any mortgage and extension thereof. If the mortgage describes real estate situated outside of this state, the tax shall be imposed upon that proportion of the whole debt secured thereby as the value of the real estate therein described situated in this state bears to the value of the whole of the real estate described therein. The tax imposed by this section shall not apply to a contract for the conveyance of any interest in real estate.

Subd. 2. [SUPPLEMENTAL MORTGAGES.] Any supplemental mortgage, not including revisions to a reverse mortgage as described under subdivision 6, securing a portion or all of the same indebtedness, whether or not additional security is included, shall be taxed in the following manner:

(a) Any additional indebtedness shall be taxed on the ratio that

the value of the real estate therein described in this state bears to the value of the whole of the real estate described therein.

(b) If there is no additional indebtedness but the percentage of the Minnesota real estate as compared to the total real estate secured by the previous mortgage is increased, the tax shall be recomputed and paid on the remaining indebtedness multiplied by the difference between that percentage of Minnesota real estate included in the supplemental mortgage and that percentage included in any previous mortgage.

(c) In the event of both an increase in the indebtedness and a change in the Minnesota percentage of real estate given as security, the tax shall be recomputed on the portion representing new indebtedness in the manner provided in (a) and in the event of an increase in the percentage of Minnesota property included as security, the tax shall be computed on the remaining portion of the indebtedness as provided in (b).

Subd. 3. [REVOLVING LINES OF CREDIT.] When a mortgage, including a reverse mortgage, secures a revolving line of credit under which advances, payments, and readvances may be made from time to time, the tax imposed under subdivision 1 shall be paid on the maximum amount of the line of credit which may be secured at any one time, as expressed in the mortgage, regardless of the time or amount of advances, payments, or readvances.

Subd. 4. [ADVANCES BY MORTGAGEE.] No tax under subdivision 1 shall be paid on the indeterminate amount which may be advanced by the mortgagee in protection of the mortgaged premises or the mortgage, including taxes, assessments, charges, claims, fines, impositions, insurance premiums, amounts due upon prior or superior mortgages and other prior or superior liens, encumbrances and interests, and legal expenses and attorneys' fees.

Subd. 5. [INDETERMINATE AMOUNTS.] When a mortgage secures an indeterminate amount other than those described in subdivision 3 ~~or~~ 4, or 6, no tax shall be paid at the time the mortgage is recorded or registered, but the tax must be paid at the time of recording or filing an affidavit stating the amount and time of the actual advance.

Subd. 6. [REVERSE MORTGAGES.] If real property secures a reverse mortgage, the principal debt or obligation to which mortgage registry tax applies is the expected total disbursements or cash equivalent to be made under the terms of the loan. Interest accruing on the disbursements made is not subject to mortgage registry tax. In the case of periodic payments made for an indefinite length of time, the expected total disbursements must equal the product of the periodic payment amounts and the number of payments and, if applicable, the amount of cash distribution or its equivalent. The

number of payments must be based upon the life expectancy assumption used in determining the payment amount. In the case of reverse mortgages made as part of the Housing and Community Development Act of 1987, section 255 of the National Housing Act, and administered by the Department of Housing and Urban Development (HUD), mortgage registry tax must not be assessed on Federal Housing Administration mortgage insurance premiums, monthly lender service fees, or payments to be distributed to the borrower by HUD.

Sec. 3. [EFFECTIVE DATE.]

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

ARTICLE 20

MISCELLANEOUS

Section 1. Minnesota Statutes 1990, section 14.03, subdivision 3, is amended to read:

Subd. 3. [RULEMAKING PROCEDURES.] The definition of a rule in section 14.02, subdivision 4, does not include:

(1) rules concerning only the internal management of the agency or other agencies that do not directly affect the rights of or procedures available to the public;

(2) rules of the commissioner of corrections relating to the placement and supervision of inmates serving a supervised release term, the internal management of institutions under the commissioner's control, and rules adopted under section 609.105 governing the inmates of those institutions;

(3) rules of the division of game and fish published in accordance with section 97A.051;

(4) rules relating to weight limitations on the use of highways when the substance of the rules is indicated to the public by means of signs;

(5) opinions of the attorney general;

(6) the systems architecture plan and long-range plan of the state education management information system provided by section 121.931;

(7) the data element dictionary and the annual data acquisition

calendar of the department of education to the extent provided by section 121.932; ~~or~~

(8) the occupational safety and health standards provided in section 182.655; or

(9) revenue notices and tax information bulletins of the commissioner of revenue.

Sec. 2. Minnesota Statutes 1990, 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~~ from the budget and cash flow reserve account ~~such amounts as are available~~ the amount necessary to bring the total amount, including any existing balance in the account on June 30, ~~1989~~ 1991, to ~~\$550,000,000~~ \$300,000,000. The amounts restricted shall remain in the account until drawn down under subdivision 1 or increased under section 16A.1541.

Sec. 3. Minnesota Statutes 1990, section 116.07, subdivision 4h, is amended to read:

Subd. 4h. [FINANCIAL RESPONSIBILITY RULES.] (a) The agency shall adopt rules requiring the operator or owner of a solid waste disposal facility to submit to the agency proof of the operator's or owner's financial capability to provide reasonable and necessary response during the operating life of the facility and for 20 years after closure, and to provide for the closure of the facility and postclosure care required under agency rules. Proof of financial responsibility is required of the operator or owner of a facility receiving an original permit or a permit for expansion after adoption of the rules. Within 180 days of the effective date of the rules or by July 1, 1987, whichever is later, proof of financial responsibility is required of an operator or owner of a facility with a remaining capacity of more than five years or 500,000 cubic yards that is in operation at the time the rules are adopted. Compliance with the rules is a condition of obtaining or retaining a permit to operate the facility.

(b) The agency shall amend the rules adopted under paragraph (a) to allow a municipality, as defined in section 475.51, subdivision 2, including a sanitary district, that owns or operates a solid waste disposal facility that was in operation on May 15, 1989, to meet its financial responsibility for all or a portion of the contingency action portion of the reasonable and necessary response costs at the facility

through its authority to issue bonds, provided that the method developed in the rules will ensure that when funds are needed for a contingency action, sufficient bonds can and will be issued by the municipality to meet its responsibility. The rules must include at least:

(1) a requirement that the governing body of the municipality enact an ordinance that clearly accepts responsibility for the costs of contingency action at the facility and that reserves, during the operating life of the facility and for 20 years after closure, a portion of the debt limit of the municipality, as established under section 475.53 or other law, that is equal to the total contingency action costs calculated under the rules;

(2) a requirement that the municipality assure that all collectors that haul to the facility implement a plan for reducing solid waste by using volume-based pricing, recycling incentives, or other means;

(3) a requirement that when a municipality opts under the rules to meet a portion of its financial responsibility by relying on its authority to issue bonds, it shall also begin setting aside funds that will cover a portion of the potential contingency action costs at the facility, the amount to be determined by the agency for each facility based on at least the amount of waste deposited in the disposal facility each year, and the likelihood and potential timing of conditions arising at the facility that will necessitate response action; and

(4) a requirement that a municipality have and consistently maintain an investment grade bond rating as a condition of using bonding authority to meet financial responsibility under this section.

(c) Counties shall comply with existing financial responsibility rules until those rules are amended under paragraph (b), and, after that time, counties shall comply with the amended rules. The method for proving financial responsibility developed under paragraph (b) may not be applied to a new solid waste disposal facility or to expansion of an existing facility, unless the expansion is a vertical expansion. Vertical expansions of qualifying existing facilities are limited to a period of not more than three years.

Sec. 4. Minnesota Statutes 1990, section 138.17, subdivision 1a, is amended to read:

Subd. 1a. [RECORDS INSPECTION.] Government records which a state agency, political subdivision, or statewide system lists on a records disposition application or records schedule, or on which archival assistance or advice is requested, may be inspected by state archives' employees if state archives gives prior notice. Employees of the archives shall have access to the records for the purpose of determining the historical or other continuing value of the records,

regardless of the records' classification pursuant to chapter 13 or 270B. Employees of the archives shall be liable to the penalties set forth for improper disclosure by them of private, confidential, nonpublic, or protected nonpublic data inspected for this purpose.

Sec. 5. [270.0604] [REVENUE NOTICES.]

Subdivision 1. [AUTHORITY.] The commissioner of revenue may make, adopt, and publish interpretive revenue notices. A "revenue notice" is a policy statement that has been published pursuant to subdivision 5 and that provides interpretation, details, or supplementary information concerning the application of law or rules. Revenue notices are published for the information and guidance of taxpayers, the department of revenue, and others concerned.

Subd. 2. [EFFECT.] Revenue notices do not have the force and effect of law and have no precedential effect, but may be relied on by taxpayers until revoked or modified. A notice may be expressly revoked or modified by the department, by the issuance of a revenue notice, but may not be revoked or modified retroactively to the detriment of the taxpayers. A change in the law or an interpretation of the law occurring after the revenue notice is issued, whether in the form of a statute, court decision, administrative rule, or revenue notice, results in revocation or modification of the notice to the extent that the change affects the notice.

Subd. 3. [RETROACTIVITY.] Revenue notices are generally interpretive of existing law and therefore are retroactive to the effective date of the applicable law provision unless otherwise stated in the notice.

Subd. 4. [ISSUANCE.] The issuance of revenue notices is at the discretion of the commissioner of revenue. The commissioner shall establish procedures governing the issuance of revenue notices and tax information bulletins.

Subd. 5. [PUBLICATION.] The commissioner shall publish the revenue notices in the State Register and in any other manner that makes them accessible to the general public. The commissioner may charge a reasonable fee for publications.

Subd. 6. [APPLICABILITY.] This section does not apply to property tax law.

Sec. 6. [270.0605] [TAX INFORMATION BULLETINS.]

The commissioner of revenue may issue tax information bulletins. "Tax information bulletins" are informational guides to enable taxpayers to become more familiar with Minnesota tax laws and their rights and responsibilities under the tax laws. Nothing con-

tained in the tax information bulletins supersedes, alters, or otherwise changes any provisions of the Minnesota tax law, administrative rules, court decisions, or revenue notices.

Sec. 7. Minnesota Statutes 1990, section 270.067, subdivision 1, is amended to read:

Subdivision 1. [STATEMENT OF PURPOSE.] State governmental policy objectives are sought to be achieved both by direct expenditure of governmental funds and by the granting of special and selective tax relief or tax expenditures. Both direct expenditures of governmental funds and tax expenditures have an effect on the ability of the state and local governments to lower tax rates or to increase expenditures. As a result, tax expenditures should receive a regular and comprehensive review by the legislature as to (a) their total cost, (b) their effectiveness in achieving their objectives, (c) their effect on the fairness and equity of the distribution of the tax burden, and (d) the public and private cost of administering tax expenditure financed programs. This section is intended to facilitate a regular review of the state and local tax expenditure budget by the legislature by providing for the preparation of a regular biennial tax expenditure budget.

Sec. 8. Minnesota Statutes 1990, section 270.067, subdivision 2, is amended to read:

Subd. 2. [PREPARATION; SUBMISSION.] The commissioner of revenue shall prepare a tax expenditure budget for the state every four years. The tax expenditure budget report shall be submitted to the legislature as a supplement to the governor's budget and at the same time as provided for submission of the budget pursuant to section 16A.11, subdivision 1, ~~except that the next such report shall be submitted in 1993, and every four years thereafter.~~

Sec. 9. Minnesota Statutes 1990, section 270B.09, is amended to read:

270B.09 [CONTRACTS WITH THE STATE; SETOFF.]

The commissioner may disclose to the department of finance or any state agency making payment to a vendor as described in section 270.66 or 290.97 whether the vendor has an uncontested delinquent tax liability owed to the commissioner and the amount of any liability. The commissioner may also disclose taxpayer identity information to the department of finance and to the University of Minnesota, solely for vendor setoff purposes.

Sec. 10. Minnesota Statutes 1990, section 287.22, is amended to read:

287.22 [EXCEPTIONS.]

The tax imposed by section 287.21 shall not apply to:

A. Any executory contract for the sale of land under which the vendee is entitled to or does take possession thereof, or any assignment or cancellation thereof.

B. Any mortgage or any assignment, extension, partial release, or satisfaction thereof.

C. Any will.

D. Any plat.

E. Any lease.

F. Any deed, instrument, or writing in which the United States or any agency or instrumentality thereof is the grantor, assignor, transferor, conveyor, grantee or assignee.

G. Deeds for cemetery lots.

H. Deeds of distribution by personal representatives.

I. Deeds to or from coowners partitioning undivided interests in the same piece of property.

J. Any deed or other instrument of conveyance issued pursuant to a land exchange under section 92.121 and related laws.

Sec. 11. Minnesota Statutes 1990, section 289A.39, subdivision 1, as amended by Laws 1991, chapter 18, section 2, is amended to read:

Subdivision 1. [EXTENSIONS FOR SERVICE MEMBERS.] (a) 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 the filing of petitions under chapter 278 that would otherwise be due May 15, 1991, and appealing to the Supreme Court from decisions of the tax court relating to income taxes are extended, as provided in section 7508 of the Internal Revenue Code of 1986, as amended through January 30, 1991.

(b) If a member of the national guard or reserves is called to active duty in the armed forces, the limitations of time provided by this chapter and chapters 290 and 290A relating to income taxes and claims for property tax refunds are extended by the following period of time:

(1) in the case of an individual whose active service is in the United States, six months; or

(2) in the case of an individual whose active service includes service abroad, the period of initial service plus six months.

Nothing in this paragraph reduces the time within which an act is required or permitted under paragraph (a).

(c) If an individual entitled to the benefit of paragraph (a) files a return during the period disregarded under paragraph (a), interest must be paid on an overpayment or refundable credit from the due date of the return, notwithstanding section 289A.56, subdivision 2.

(d) The provisions of this subdivision apply to the spouse of an individual entitled to the benefits of this subdivision with respect to a joint return filed by the spouses.

Sec. 12. Minnesota Statutes 1990, section 290.611, subdivision 1, is amended to read:

Subdivision 1. No person who prepares, aids in the preparation, processes, transmits, consults with respect to or reviews a state or federal tax return for another person, corporation, partnership, association or other taxpayer shall divulge any particulars of such return, except to authorized employees of the department of revenue or of the Internal Revenue Service in the course of an examination, without the written permission of such person, corporation, partnership, association or other taxpayer or the legally appointed representative of such taxpayer if such taxpayer is deceased, incompetent or otherwise unable to give such consent. The provisions of this subdivision shall not apply to disclosure by an employee of the department of revenue or of the Internal Revenue Service to other employees of such department or service where such disclosure is necessary for the effective administration of the tax laws of the state or the federal government.

Sec. 13. Minnesota Statutes 1990, section 469.167, subdivision 2, is amended to read:

Subd. 2. [DURATION.] The designation of an area as an enterprise zone shall be effective for seven years after the date of designation, except that enterprise zones in border cities eligible to receive allocations for tax reductions under section 469.169, subdivisions 7 and 8, and under section 469.171, subdivision 6a or 6b, shall be effective until these allocations have been expended.

Sec. 14. Minnesota Statutes 1990, section 469.171, is amended by adding a subdivision to read:

Subd. 6b. [ADDITIONAL BORDER CITY ALLOCATIONS.] In addition to tax reduction authorized under section 469.169, subdivisions 7 and 8, and under subdivision 6a, the commissioner may allocate \$1,000,000 for tax reductions as provided in this section to enterprise zones designated under section 469.168, subdivision 4, paragraph (c), except for zones located in cities of the first class. The money shall be allocated among the zones on a per capita basis. Limits on the maximum allocation to a zone imposed by section 469.169, subdivision 7, do not apply to allocations made under this subdivision.

Sec. 15. Minnesota Statutes 1990, section 462C.03, subdivision 10, is amended to read:

Subd. 10. Notwithstanding any provision of this chapter, not more than 20 percent of the aggregate dollar amount of tax-exempt bond proceeds ~~and any other funds~~ appropriated by any city within any calendar year to make or purchase loans providing single family housing or dwelling units for sale within multifamily housing developments described in section 462C.05, subdivision 3, shall be appropriated to provide single family housing for persons or families, including renters of the single family housing, whose gross income exceeds the limit in section 462C.03, subdivision 2. If 20 percent of the total amount of tax-exempt bond funds so appropriated by the city in any calendar year is expended for housing not within the limit, no additional funds may be expended pursuant to any other similar appropriation until the remaining 80 percent is expended for housing within the limit. Notwithstanding subdivision 2, the city may use taxable bond proceeds for single family housing for persons and families with adjusted gross incomes of up to 175 percent of the median family income as estimated by the United States Department of Housing and Urban Development for the nonmetropolitan county or standard metropolitan statistical area, whichever is appropriate.

Sec. 16. Laws 1974, chapter 285, section 4, as amended by Laws 1989, chapter 328, article 4, section 6, is amended to read:

Sec. 4. [ISSUANCE OF BONDS.]

To finance the programs authorized in section 2, 2a, and 3 of this act, the governing body of the city may by resolution authorize, issue, and sell general obligation bonds of the city ~~in accordance with the provisions of Minnesota Statutes, Chapter 475~~ without submission of the question to the electors of the city, notwithstanding any provision of the city charter or local ordinance. Minnesota Statutes, chapter 475, applies to the issuances of bonds. The total amount of all bonds outstanding for the programs shall not exceed \$25,000,000. The amount of all bonds issued shall be ~~included in~~ excluded from the net indebtedness of the city for the purpose of any charter or statutory debt limitation.

Sec. 17. [PENNINGTON COUNTY; THIEF RIVER FALLS; STUDENT HOUSING.]

Subdivision 1. Pennington county or the city of Thief River Falls may construct and own student housing in the county or city. The county or city may incur debt as provided by Minnesota Statutes, chapter 475, to finance the cost of the student housing, which is a purpose like other purposes stated in Minnesota Statutes, section 475.52. Payment of the debt may be secured by either or both the pledge of revenue from the housing or the pledge of the full faith and credit of the county or city. An election is not necessary to authorize obligations issued under the authority provided by this section.

Subd. 2. Subdivision 1 takes effect separately for Pennington county and the city of Thief River Falls upon compliance with Minnesota Statutes, section 645.021, subdivision 3, by their respective governing bodies.

Subd. 3. Property taxes may not be levied under this section until the 1992 levy, payable in 1993 and thereafter.

Sec. 18. [DEPARTMENT OF REVENUE; APPROPRIATION.]

\$76,000 is appropriated from the general fund to the commissioner of revenue for purposes of preparing the income tax samples under Minnesota Statutes, section 270.0681.

Sec. 19. [ENTERPRISE ZONE FUNDING; APPROPRIATION.]

\$1,000,000 is appropriated to the commissioner of trade and economic development to be used to provide additional enterprise zone allocations for tax reductions under section 14.

Sec. 20. [EFFECTIVE DATE.]

Sections 4, and 9 to 12 are effective the day following final enactment. Sections 1, 3, 5, and 6 are effective July 1, 1991."

Delete the title and insert:

"A bill for an act relating to the financing and operation of government in Minnesota; modifying the administration, computation, collection, and enforcement of taxes; imposing taxes; changing tax rates, bases, credits, exemptions, withholding, and payments; modifying levy limits and aids to local governments; reducing the amount in the budget and cash flow reserve account; modifying certain local taxes and fees; updating references to the Internal Revenue Code, modifying tax increment financing laws; changing certain bonding provisions; changing provisions for light rail transit; changing certain eminent domain powers; changing provisions re-

lating to certain ambulance and emergency services personnel plans; establishing programs to provide incentives for local government service sharing and mergers; changing definitions; making technical corrections and clarifications; enacting provisions relating to certain cities, counties, school districts and watershed districts; appropriating money; amending Minnesota Statutes 1990, sections 13.51, subdivision 2, and by adding a subdivision; 13.54, by adding a subdivision; 14.03, subdivision 3; 16A.15, subdivision 6; 18.022, subdivision 2; 43A.316, subdivision 9; 47.58, subdivision 6; 60A.19, subdivision 8; 69.011, subdivisions 1 and 3; 69.021, subdivisions 2, 4, 5, 6, 7, 8, and 9; 69.54; 84.82, by adding a subdivision; 86B.401, by adding a subdivision; 115B.24, subdivision 2; 116.07, subdivision 4h; 124A.03, subdivision 2, and by adding a subdivision; 138.17, subdivision 1a; 171.06, by adding a subdivision; 268.161, subdivision 1; 270.067, subdivisions 1 and 2; 270.11, subdivision 6; 270.12, subdivision 2, and by adding a subdivision; 270.274, subdivision 1; 270.60; 270.66, subdivision 3; 270.68, subdivision 1; 270.69, subdivisions 2, 8, 9, and by adding a subdivision; 270.70, subdivision 10; 270.703, subdivision 2; 270.75, subdivision 4; 270A.03, subdivision 7; 270B.09; 271.04; 271.21, subdivision 6; 272.02, subdivisions 1 and 4; 272.025, subdivision 1; 272.03, subdivision 1; 272.31; 272.479; 272.482; 272.483; 272.485; 272.486; 272.67, subdivision 6; 273.11, subdivision 1, and by adding a subdivision; 273.111, subdivision 6; 273.12; 273.124, subdivisions 1, 9, 13, and 14; 273.13, subdivisions 22, 23, and 25; 273.1398, subdivisions 1, 3, 5, and 6; 273.1399, subdivisions 1 and 3; 274.19, subdivision 3; 275.065, subdivisions 3, 5a, and 6; 275.08, subdivision 1b; 275.125, by adding a subdivision; 275.50, subdivisions 5 and 5a; 275.51, subdivisions 3f, 3h, and 3j; 276.04, subdivision 2; 276.041; 277.01; 278.01, subdivision 1; 278.05, subdivision 4; 279.01, subdivisions 1 and 2; 279.03, subdivision 1a; 279.06; 281.17; 282.01, subdivision 1; 282.33, subdivision 1; 287.05; 287.22; 289A.01; 289A.02, by adding a subdivision; 289A.08, by adding a subdivision; 289A.11, subdivision 1; 289A.12, by adding a subdivision; 289A.18, subdivisions 1, 2, and 4; 289A.19, subdivisions 1 and 2; 289A.20, subdivisions 1, 2, 4, and by adding a subdivision; 289A.26, subdivisions 1, 6, and by adding a subdivision; 289A.30, subdivision 1; 289A.31, subdivision 1; 289A.35; 289A.37, subdivision 1; 289A.38, subdivisions 9, 10, and 12; 289A.39, subdivision 1, as amended; 289A.42, subdivisions 1 and 2; 289A.50, subdivision 1; 289A.56, subdivision 2; 289A.60, subdivisions 2, 4, 12, 15, and by adding a subdivision; 290.01, subdivisions 19, 19a, and 19d; 290.014, subdivisions 2, 3, 4, and 5; 290.05, subdivision 3; 290.06, subdivisions 2c, 2d, 21, 22, 23, and by adding a subdivision; 290.067, subdivisions 1 and 2a; 290.068, subdivisions 1, 2, and 5; 290.0802, subdivisions 1 and 2; 290.091, subdivisions 1 and 2; 290.0921, subdivision 8; 290.0922, subdivision 1, and by adding a subdivision; 290.17, subdivisions 1, 2, and 5; 290.191, subdivisions 6, 8, and 11; 290.35, subdivision 3; 290.431; 290.611, subdivision 1; 290.92, subdivisions 1, 4b, 4c, 12, 26, 27, and by adding a subdivision; 290.9727, subdivisions 1, 3, and by adding subdivisions; 290A.03, subdivisions 3 and 7; 290A.04, subdivision 2h; 290A.05; 290A.091; 295.01, subdivision 10; 295.34, subdivision 1; 296.01, subdivision 25;

296.026, subdivisions 1, 2, 7, and by adding subdivisions; 296.14, subdivision 1; 297.01, subdivision 7; 297.02, subdivision 1; 297.03, subdivisions 1, 2, 4, 5, and 6; 297.07, subdivision 5; 297.08, subdivision 1; 297.11, subdivision 1, and by adding subdivisions; 297.32, subdivisions 1 and 2; 297.35, subdivision 1; 297.43, by adding a subdivision; 297A.01, subdivisions 3, 8, 10, and by adding a subdivision; 297A.02, subdivision 2, and by adding a subdivision; 297A.21, subdivisions 1 and 4; 297A.211, subdivision 2; 297A.25, subdivisions 1, 10, 12, and by adding a subdivision; 297A.255, subdivision 5; 297B.02, by adding a subdivision; 297C.03, subdivisions 1 and 6; 297C.04; 297C.10, by adding a subdivision; 297D.01, subdivision 3; 297D.02; 297D.04; 297D.05; 297D.07; 297D.09, subdivisions 1 and 1a; 297D.11; 297D.12, subdivision 1; 297D.13, subdivisions 1 and 3; 297D.14; 298.01, subdivisions 3, 4, and by adding subdivisions; 298A.015, subdivision 1; 298.16; 298.21; 298.27; 325D.32, subdivision 10; 325D.415; 336.9-411; 349.212, subdivision 4; 353D.01; 353D.02; 353D.03; 353D.05; 353D.06; 357.18, subdivision 2; 375.192, subdivision 2; 386.46; 398A.04, subdivision 8; 414.031, subdivision 6; 414.0325, subdivision 4; 414.033, subdivision 7; 414.06, subdivision 4; 414.061, subdivision 3; 430.102, subdivisions 3 and 4; 462C.03, subdivision 10; 469.012, subdivision 8; 469.167, subdivision 2; 469.171, by adding a subdivision; 469.174, subdivisions 7 and 10; 469.176, subdivision 1; 469.1763, subdivisions 1, 2, 3, 4, and by adding a subdivision; 469.177, subdivisions 1 and 8; 469.1771, subdivisions 2 and 4; 469.179, by adding a subdivision; 469.1831, subdivision 4; 469.190, subdivision 7; 473.3994, by adding a subdivision; 473.843, subdivision 3; 473F.01; 473F.02, subdivisions 3, 8, 12, and 13; 473F.05; 473F.06; 473F.07; 473F.08, subdivisions 2, 5, and 6; 473F.09; 473F.13, subdivision 1; 477A.011, subdivision 27, as amended, and by adding subdivisions; 477A.012, subdivision 1, as amended, and by adding subdivisions; 477A.013, subdivision 3, as amended, and by adding a subdivision; 477A.014, subdivisions 1, as amended, 4, and by adding a subdivision; 477A.015; 508.25; 508A.25; 515A.1-105, subdivision 1; 515A.4-102; Laws 1974, chapter 285, section 4, as amended; Laws 1980, chapter 511, section 1, subdivision 2; Laws 1983, chapter 342, article 19, section 1; Laws 1986, chapter 462, section 31; Laws 1987, chapter 268, article 11, section 12; Laws 1988, chapter 719, article 16, section 1, subdivision 3; Laws 1989, First Special Session chapter 1, article 5, section 50; and article 14, section 16; Laws 1990, chapter 604, article 2, section 22; article 3, sections 46, subdivision 1; 49, subdivision 3; 50, subdivision 3; 51, subdivision 3; 59, subdivision 2; and 61, subdivision 2; article 4, sections 19 and 22; article 6, sections 9 and 11; article 7, sections 29, subdivision 1, and 30, subdivision 7; and Laws 1991, chapter 2, article 8, section 9; proposing coding for new law in Minnesota Statutes, chapters 47; 117; 268; 270; 272; 275; 277; 295; 296; 297; 297A; 325D; 353D; 451; and 465; repealing Minnesota Statutes 1990, sections 272.487; 272.50; 272.51; 272.52; 272.53; 273.137; 277.02; 277.03; 277.05; 277.06; 277.07; 277.08; 277.09; 277.10; 277.11; 277.12; 277.13; 289A.19, subdivision 6; 290.068, subdivision 6; 290.069, subdivisions 2a, 4a, and 4b; 290.17, subdivision 7; 290.191, subdivision 7; 290.48, subdivisions 5 and 8;

296.028; 297A.257; 297A.39, subdivision 9; 298.05; 298.06; 298.07; 298.08; 298.09; 298.10; 298.11; 298.12; 298.13; 298.14; 298.15; 298.19; 298.20; 473F.02, subdivisions 9, 11, 16, 17, 18, 19, and 20; 473F.12; 473F.13, subdivisions 2 and 3; and Laws 1989, chapter 277, article 4, section 2.”

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

House Conferees: PAUL ANDERS OGREN, DEE LONG, EDGAR OLSON, ANN H. REST AND JOEL JACOBS.

Senate Conferees: DOUGLAS J. JOHNSON, DAVID J. FREDERICKSON, LAWRENCE J. POGEMILLER, EMBER D. REICHGOTT AND LEONARD R. PRICE.

Ogren moved that the report of the Conference Committee on H. F. No. 1086 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1086, A bill for an act relating to the financing and operation of government in Minnesota; establishing a homestead credit trust fund; allowing the imposition of certain local taxes and fees; modifying the administration, computation, collection, and enforcement of taxes and assessments; imposing taxes; changing tax classes, rates, bases, credits, exemptions, withholding, and payments; modifying levy limits and aids to local governments; updating references to the Internal Revenue Code; modifying tax increment financing laws; changing definitions; changing certain bonding provisions; providing for suspension of mandate requirements; providing for certain fund transfers; changing provisions for light rail transit; changing certain eminent domain powers; making technical corrections and clarifications; enacting provisions relating to certain cities, counties, watershed districts, and independent school districts; requiring studies; imposing a fee; imposing a surtax; changing certain provisions relating to certain ambulance and emergency services personnel plans; prescribing penalties; appropriating money; amending Minnesota Statutes 1990, sections 13.51, subdivision 2; 14.03, subdivision 3; 18.022, subdivision 2; 43A.316, subdivision 9; 60A.19, subdivision 8; 69.011, subdivisions 1 and 3; 69.021, subdivisions 4, 6, 7, 8, and 9; 69.54; 84.82, by adding a subdivision; 115B.24, subdivision 2; 116.07, subdivision 4h; 124A.03, subdivision 2, and by adding a subdivision; 138.17, subdivision 1a; 171.06, by adding a subdivision; 268.161, subdivision 1; 270.067, subdivisions 1 and 2; 270.11, subdivision 6; 270.12, subdivision 2, and by adding a subdivision; 270.274, subdivision 1; 270.60; 270.66, subdivision 3; 270.68, subdivision 1; 270.69, subdivisions 2, 8, 9, and by adding a subdivision; 270.70, subdivision 10; 270.75, subdivision 4; 270A.03, subdivision 7; 270B.09; 272.02, subdivision 4; 272.025, subdivision 1; 272.31; 272.479; 272.482; 272.483; 272.485; 272.486; 272.67, subdivision 6; 273.11, subdivi-

sion 1, and by adding subdivisions; 273.111, subdivision 6; 273.112, subdivisions 1, 2, 3, and 4; 273.12; 273.124, subdivisions 1, 7, 13, and 14; 273.13, subdivisions 22, 23, 24, 25, 31, 32, and by adding a subdivision; 273.1398, subdivisions 6 and 7; 273.1399, subdivisions 1 and 3; 275.065, subdivisions 1a, 3, 5a, and 6; 275.08, subdivision 1b; 275.125, by adding a subdivision; 275.50, subdivisions 5, 5a, and 5b; 275.51, subdivisions 3f, 3h, and 3j; 275.54, subdivision 3; 276.04, subdivision 2; 276.041; 277.01; 278.01; 279.01, subdivisions 1 and 2; 279.03, subdivision 1a; 279.06; 281.17; 282.01, subdivision 1; 287.22; 289A.01; 289A.02, by adding a subdivision; 289A.08, by adding a subdivision; 289A.11, subdivision 1; 289A.12, by adding a subdivision; 289A.18, subdivisions 1, 2, and 4; 289A.19, subdivisions 1 and 2; 289A.20, subdivisions 1, 2, 4, and by adding a subdivision; 289A.25, subdivision 10; 289A.26, subdivisions 1, 6, and by adding a subdivision; 289A.30, subdivision 1; 289A.31, subdivision 1; 289A.35; 289A.37, subdivision 1; 289A.38, subdivisions 9, 10, and 12; 289A.42, subdivisions 1 and 2; 289A.50, subdivision 1; 289A.56, subdivision 2; 289A.60, subdivisions 2, 4, 12, 15, and by adding a subdivision; 290.01, subdivisions 19, 19a, 19b, and 19d; 290.014, subdivisions 2, 3, 4, and 5; 290.05, subdivision 3; 290.06, subdivisions 2c, 2d, 21, 22, 23, and by adding subdivisions; 290.067, subdivisions 1 and 2a; 290.068, subdivisions 1, 2, and 5; 290.0802, subdivisions 1 and 2; 290.091, subdivisions 1 and 2; 290.0921, subdivision 8; 290.0922, subdivision 1, and by adding a subdivision; 290.17, subdivisions 1, 2, and 5; 290.191, subdivisions 6, 8, and 11; 290.35, subdivision 3; 290.431; 290.611, subdivision 1; 290.92, subdivisions 1, 4b, 4c, 12, 26, 27, and by adding a subdivision; 290.923, by adding a subdivision; 290.9727, subdivisions 1, 3, and by adding subdivisions; 290A.03, subdivisions 3 and 7; 290A.04, by adding a subdivision; 290A.05; 290A.091; 295.01, subdivision 10; 295.34, subdivision 1; 296.026, subdivisions 2, 7, and by adding a subdivision; 296.14, subdivision 1; 297.01, subdivision 7; 297.03, subdivisions 1, 2, 4, and 6; 297.07, subdivision 5; 297.08, subdivision 1; 297.11, subdivision 1, and by adding subdivisions; 297.35, subdivision 1; 297.43, by adding a subdivision; 297A.01, subdivisions 3, 8, 10, 15, and by adding a subdivision; 297A.02, subdivisions 1, 2, 3, and by adding subdivisions; 297A.14, by adding a subdivision; 297A.15, by adding a subdivision; 297A.21, subdivisions 1 and 4; 297A.211, subdivision 2; 297A.24; 297A.25, subdivisions 1, 10, 11, 12, and by adding a subdivision; 297A.255, subdivision 5; 297A.257, subdivisions 2 and 2a; 297A.259; 297A.44, subdivision 1, and by adding a subdivision; 297B.02, by adding a subdivision; 297B.09, by adding a subdivision; 297C.03, subdivisions 1 and 6; 297C.04; 297C.10, by adding a subdivision; 297D.01, subdivision 3; 297D.02; 297D.04; 297D.05; 297D.07; 297D.09, subdivisions 1 and 1a; 297D.11; 297D.12, subdivision 1; 297D.13, subdivisions 1 and 3; 297D.14; 298.01, subdivisions 3, 4, and by adding subdivisions; 298.015, subdivision 1; 298.16; 298.21; 298.27; 325D.32, subdivision 10, and by adding a subdivision; 325D.415; 336.9-411; 349.212, subdivision 4; 353D.01; 353D.02; 353D.03; 353D.05; 353D.06; 357.18, subdivision 2; 375.192, subdivision 2; 386.46; 398A.04, subdivision 8; 414.031, subdivision 6; 414.0325, subdivision 4;

414.033, subdivision 7; 414.06, subdivision 4; 414.061, subdivision 3; 430.102, subdivisions 3 and 4; 462C.03, subdivision 10; 469.012, subdivision 8; 469.176, subdivision 1; 469.1763, subdivisions 1, 2, 3, 4, and by adding a subdivision; 469.177, subdivisions 1 and 8; 469.1771, subdivisions 2 and 4; 469.179, by adding a subdivision; 469.190, subdivision 7; 473.3994, by adding a subdivision; 473.843, subdivision 3; 473F.01; 473F.02, subdivisions 3, 8, 12, and 13; 473F.05; 473F.06; 473F.07; 473F.08, subdivisions 2, 5, and 6; 473F.09; 473F.13, subdivision 1; 477A.011, subdivisions 27, as amended, and 28, as amended; 477A.012, subdivision 6, as added, and by adding a subdivision; 477A.013, subdivision 8, as added; 477A.0135, as added; 477A.014, subdivisions 1, as amended, 4, and by adding subdivisions; 477A.015; 477A.03, subdivision 1; 508.25; 508A.25; 515A.1-105, subdivision 1; Laws 1974, chapter 285, section 4, as amended; Laws 1980, chapter 511, section 1, subdivision 2; Laws 1986, chapter 462, section 31; Laws 1987, chapter 268, article 11, section 12; Laws 1989, First Special Session chapter 1, article 14, section 16; Laws 1990, chapter 604, article 2, section 22; article 3, section 46, subdivision 1; and article 6, section 11; proposing coding for new law in Minnesota Statutes, chapters 16A; 117; 268; 270; 272; 273; 275; 276; 277; 290; 295; 296; 297; 297A; 325D; 353D; 373; 451; and 471; repealing Minnesota Statutes 1990, sections 272.487; 272.50; 272.51; 272.52; 272.53; 273.137; 273.1398; 277.02; 277.05; 277.06; 277.07; 277.08; 277.09; 277.10; 277.11; 277.12; 277.13; 289A.19, subdivision 6; 290.068, subdivision 6; 290.069, subdivisions 2a, 4a, and 4b; 290.17, subdivision 7; 290.191, subdivision 7; 290.48, subdivisions 5 and 8; 296.028; 297A.257, subdivisions 1, 2b, and 3; 297A.39, subdivision 9; 298.05; 298.06; 298.07; 298.08; 298.09; 298.10; 298.11; 298.12; 298.13; 298.14; 298.15; 298.19; 298.20; 473F.02, subdivisions 9, 11, 16, 17, 18, 19, and 20; 473F.12; 473F.13, subdivisions 2 and 3; 477A.011; 477A.012; 477A.013; 477A.014; 477A.015; 477A.016; 477A.017; and 477A.03; Laws 1986, chapter 399, article 1, section 5; and Laws 1989, chapter 277, article 4, section 2.

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 55 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Dauner	Jefferson	Lourey	Olson, E.
Battaglia	Dawkins	Jennings	Mariani	Olson, K.
Bauerly	Dorn	Johnson, A.	McEachern	Orenstein
Beard	Farrell	Johnson, R.	McGuire	Orfield
Begich	Garcia	Kahn	Milbert	Osthoff
Bertram	Greenfield	Kalis	Munger	Ostrom
Bodahl	Hanson	Kinkel	Murphy	Pelowski
Carlson	Hasskamp	Krueger	Nelson, K.	Peterson
Carruthers	Hausman	Lasley	Nelson, S.	Pugh
Clark	Jacobs	Lieder	O'Connor	Reding
Cooper	Janezich	Long	Ogren	Rest

Rice	Segal	Steensma	Wagenius	Spk. Vanasek
Rodosovich	Simoneau	Thompson	Wejzman	
Rukavina	Skoglund	Trimble	Welle	
Sarna	Solberg	Tuaheim	Wenzel	
Scheid	Sparby	Vellenga	Winter	

Those who voted in the negative were:

Abrams	Frederick	Hugoson	McPherson	Seaberg
Anderson, R.	Frerichs	Johnson, V.	Morrison	Smith
Anderson, R. H.	Girard	Kelso	Newinski	Stanius
Bettermann	Goodno	Knickerbocker	Olsen, S.	Svigum
Bishop	Gruenes	Koppendraye	Onnen	Swenson
Blatz	Gutknecht	Krinkie	Ozment	Tompkins
Boo	Hartle	Leppik	Pauly	Uphus
Davids	Haukoos	Limmer	Pellow	Valento
Dempsey	Heir	Lynch	Runbeck	Waltman
Dille	Henry	Macklin	Schafer	Weaver
Erhardt	Hufnagle	Marsh	Schreiber	Welker

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

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. 1, A bill for an act relating to waters; establishing a program for the enhancement, preservation, and protection of wetlands within the state; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 97A.145, subdivision 2; 103A.201; 103B.311, subdivision 6; 103E.701, by adding a subdivision; 103G.005, subdivisions 15 and 18, and by adding subdivisions; 103G.221, subdivision 1; and 103G.231, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 84; 103F; and 103G; repealing Minnesota Statutes 1990, section 103G.221, subdivisions 2 and 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [CITATION.]

This act may be cited as the “wetland enhancement, preservation, and protection act of 1991.”

Sec. 2. Minnesota Statutes 1990, section 103A.201, is amended to read:

103A.201 [REGULATORY POLICY.]

Subdivision 1. [POLICY.] To conserve and use water resources of the state in the best interests of its people, and to promote the public health, safety, and welfare, it is the policy of the state that:

(1) subject to existing rights, public waters are subject to the control of the state;

(2) the state, to the extent provided by law, shall control the appropriation and use of waters of the state; and

(3) the state shall control and supervise activity that changes or will change the course, current, or cross section of public waters, including the construction, reconstruction, repair, removal, abandonment, alteration, or the transfer of ownership of dams, reservoirs, control structures, and waterway obstructions in public waters.

Subd. 2. [WETLANDS FINDINGS; PUBLIC INTEREST.] (a) Wetlands identified in the state under section 12 and the United States Fish and Wildlife Service National Wetland Inventory maps do not:

(1) grant the public additional or greater right of access to the wetlands;

(2) diminish the right of ownership or usage of the beds underlying the wetlands, except as otherwise provided by law;

(3) affect state law forbidding trespass on private lands; and

(4) require the commissioner to acquire access to the wetlands.

(b) The legislature finds that the wetlands of Minnesota provide public value by conserving surface waters, maintaining and improving water quality, preserving wildlife habitat, providing recreational opportunities, reducing runoff, providing for floodwater retention, reducing stream sedimentation, contributing to improved subsurface moisture, helping moderate climatic change, and enhancing the natural beauty of the landscape, and are important to comprehensive water management, and that it is in the public interest to:

(1) achieve no net loss in the quantity, quality, and biological diversity of Minnesota's existing wetlands;

(2) increase the quantity, quality, and biological diversity of Minnesota's wetlands by restoring or enhancing diminished or drained wetlands;

(3) avoid direct or indirect impacts from activities that destroy or diminish the quantity, quality, and biological diversity of wetlands; and

(4) mitigate where avoidance of activity is not feasible and prudent.

Sec. 3. Minnesota Statutes 1990, section 103B.311, subdivision 6, is amended to read:

Subd. 6. [SCOPE OF PLANS.] Comprehensive water plans must include:

(1) a description of the existing and expected changes to physical environment, land use, and development in the county;

(2) available information about the surface water, groundwater, and related land resources in the county, including existing and potential distribution, availability, quality, and use;

(3) objectives for future development, use, and conservation of water and related land resources, including objectives that concern water quality and quantity, and sensitive areas, wellhead protection areas, and related land use conditions, and a description of actions that will be taken in affected watersheds or groundwater systems to achieve the objectives;

(4) a description of potential changes in state programs, policies, and requirements considered important by the county to management of water resources in the county;

(5) a description of conflicts between the comprehensive water plan and existing plans of other local units of government;

(6) a description of possible conflicts between the comprehensive water plan and existing or proposed comprehensive water plans of other counties in the affected watershed units or groundwater systems;

(7) the identification of high priority areas in the county for wetland restoration;

(8) a program for implementation of the plan that is consistent with the plan's management objectives and includes schedules for amending official controls and water and related land resources plans of local units of government to conform with the comprehen-

sive water plan, and the schedule, components, and expected state and local costs of any projects to implement the comprehensive water plan that may be proposed, although this does not mean that projects are required by this section; and

(8) (9) a procedure for amending the comprehensive water plan.

Sec. 4. Minnesota Statutes 1990, section 103E.701, is amended by adding a subdivision to read:

Subd. 6. [WETLAND RESTORATION AND MITIGATION.] Repair of a drainage system may include the restoration or enhancement of wetlands; wetland mitigation under section 103G.222; and the realignment of a drainage system to prevent drainage of a wetland.

Sec. 5. [103F.516] [PERMANENT WETLANDS PRESERVE.]

Subdivision 1. [EASEMENTS.] Upon application by a landowner, the board may acquire permanent easements on land containing type 1, 2, or 3 wetlands, as defined in United States Fish and Wildlife Service Circular No. 39 (1971 edition).

Subd. 2. [NATURE OF PROPERTY RIGHTS ACQUIRED.] (a) A permanent easement acquired must prohibit draining, ditching, tiling, filling, leveling, burning vegetation, and alteration of wildlife habitat and other natural features in the wetland, except that burning vegetation and other practices may be permitted by the commissioner of natural resources or an agent of the commissioner.

(b) A permanent easement may include one adjacent upland acre of land for each acre of wetland included.

(c) The easement must require that the landowner control noxious weeds pursuant to sections 18.171 to 18.317.

(d) The permanent easement must be conveyed to the state in recordable form free of any prior title, lien, or encumbrance and must provide for a right of entry by the state for inspection and correction of violations.

Subd. 3. [PAYMENT.] Payment for the conservation easement may be made in ten equal annual payments or, at the option of the land owner, shall be made in a lump sum at 50 percent of the township average equalized estimated market value of agricultural property as established by the commissioner of revenue at the time of easement applications.

Subd. 4. [ENFORCEMENT AND CORRECTIONS.] Enforcement

of the permanent easement or violation corrections shall be governed by section 103F.515, subdivisions 8 and 9.

Subd. 5. [AVAILABLE FUNDS.] A property owner eligible for payments under this section must receive payments to the extent that funds are available. If funds are not available and payments are not made, restrictions on the use of the property owner's wetlands are terminated under this section.

Subd. 6. [REPORT REQUIRED.] The board must report annually to the legislature on the number, types, and acres of wetlands lost and gained each year.

Sec. 6. Minnesota Statutes 1990, section 103G.005, is amended by adding a subdivision to read:

Subd. 6a. [BOARD.] "Board" means the board of water and soil resources.

Sec. 7. Minnesota Statutes 1990, section 103G.005, is amended by adding a subdivision to read:

Subd. 10a. [LOCAL GOVERNMENT UNIT.] "Local government unit" means:

(1) outside of the seven-county metropolitan area, a city council or county board of commissioners; and

(2) in the seven-county metropolitan area, a city council, a town board under section 368.01, or a watershed management organization under section 103B.211.

Sec. 8. Minnesota Statutes 1990, section 103G.005, is amended by adding a subdivision to read:

Subd. 11a. [MITIGATION.] "Mitigation" is the quantification and replacement of an area's size, quality, character, and diversity through restoration or creation of at least equivalent quantities in another area.

Sec. 9. Minnesota Statutes 1990, section 103G.005, subdivision 15, is amended to read:

Subd. 15. [PUBLIC WATERS.] (a) "Public waters" means:

(1) waterbasins assigned a shoreland management classification by the commissioner under sections 103F.201 to 103F.221, except wetlands less than 80 acres in size that are classified as natural environment lakes;

(2) waters of the state that have been finally determined to be public waters or navigable waters by a court of competent jurisdiction;

(3) meandered lakes, excluding lakes that have been legally drained;

(4) waterbasins previously designated by the commissioner for management for a specific purpose such as trout lakes and game lakes pursuant to applicable laws;

(5) waterbasins designated as scientific and natural areas under section 84.033;

(6) waterbasins located within and totally surrounded by publicly owned lands;

(7) waterbasins where the state of Minnesota or the federal government holds title to any of the beds or shores, unless the owner declares that the water is not necessary for the purposes of the public ownership;

(8) waterbasins where there is a publicly owned and controlled access that is intended to provide for public access to the waterbasin;

(9) natural and altered watercourses with a total drainage area greater than two square miles;

(10) natural and altered watercourses designated by the commissioner as trout streams; and

(11) public waters wetlands, unless the statute expressly states otherwise.

(b) Public waters are not determined exclusively by the proprietorship of the underlying, overlying, or surrounding land or by whether it is a body or stream of water that was navigable in fact or susceptible of being used as a highway for commerce at the time this state was admitted to the union.

Sec. 10. Minnesota Statutes 1990, section 103G.005, is amended by adding a subdivision to read:

Subd. 17a. [WATERSHED.] "Watershed" means the 81 major watershed units delineated by the map, "State of Minnesota Watershed Boundaries - 1979".

Sec. 11. Minnesota Statutes 1990, section 103G.005, subdivision 18, is amended to read:

Subd. 18. [PUBLIC WATERS WETLANDS.] "Public waters wetlands" means all types 3, 4, and 5 wetlands, as defined in United States Fish and Wildlife Service Circular No. 39 (1971 edition), not included within the definition of public waters, that are ten or more acres in size in unincorporated areas or 2-1/2 or more acres in incorporated areas, including those wetlands designated as public waters under section 103G.201.

Sec. 12. Minnesota Statutes 1990, section 103G.005, is amended by adding a subdivision to read:

Subd. 19. [WETLANDS.] "Wetlands" means lands transitional between terrestrial and aquatic systems where the water table is usually at or near the surface or the land is covered by shallow water. For purposes of this definition, wetlands must have the following three attributes:

- (1) have a predominance of hydric soils;
- (2) are inundated or saturated by surface or ground water at a frequency and duration sufficient to support a prevalence of hydrophytic vegetation typically adapted for life in saturated soil conditions; and
- (3) under normal circumstances support a prevalence of such vegetation.

Sec. 13. Minnesota Statutes 1990, section 103G.221, subdivision 1, is amended to read:

~~Subdivision 1. [DRAINAGE OF WETLANDS GENERALLY PROHIBITED WITHOUT REPLACEMENT.] Except as provided in subdivisions 2 and 3, Wetlands may not be drained, and a permit authorizing drainage of wetlands may not be issued, unless the wetlands to be drained are replaced by wetlands that will have equal or greater public value.~~

Sec. 14. [103G.222] [REPLACEMENT OF WETLANDS.]

(a) Wetlands which are identified on United States Fish and Wildlife Service National Wetlands Inventory maps or revisions thereof, or which have been restored or created by public or private conservation programs, must not be drained or filled, wholly or partially, unless there are no feasible and prudent alternatives and unless replaced by restoring or creating wetland areas of at least equivalent size, quantity, character, and diversity under either a mitigation plan approved as provided in section 20 or, if a permit to mine is required under section 93.481, under a mining reclamation plan approved by the commissioner under the permit to mine. Mining reclamation plans shall apply the same principles and

standards for replacing wetlands by restoration or creation of wetland areas that are applicable to mitigation plans approved as provided in section 20.

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

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

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

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

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

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

(c) If an agricultural wetland is located in a cultivated field, then mitigation must be accomplished through restoration only without regard to the priority order in paragraph (b).

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

(e) Any mitigation or replacement shall be within the same watershed or county as the impacted wetlands, as based on the wetland evaluation in section 20, subdivision 2, except that counties or watersheds in which 80 percent or more of the presettlement wetland acreage is intact may accomplish mitigation in counties or watersheds in which 50 percent or more of the presettlement wetland acreage has been filled, drained, or otherwise degraded.

(f) For a wetland of two acres or less, mitigation must be in the ratio of two acres of mitigated wetland for each acre of drained or filled wetland.

(g) For a wetland of more than two acres, mitigation must be in the ratio of one acre of mitigated wetland for each acre of drained or filled wetland.

(h) Mitigation on wetlands greater than one acre must use the "Minnesota Wetlands Evaluation of Methodology"; on wetlands one acre or less, mitigation must be of the same wetland type.

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

(j) All requests to add or delete a wetland from the application of this subdivision must be approved in the same way as provided for appeals by the committee for dispute resolution of the board of water and soil resources, and must be based on a preponderance of the evidence that the wetland does or does not comply with established criteria for inclusion in the national wetlands inventory.

Sec. 15. [103G.223] [CALCAREOUS FENS.]

Calcareous fens, as identified by the commissioner, may not be filled, drained, or otherwise degraded, wholly or partially, by any activity, unless the commissioner, under an approved management plan, decides some alteration is necessary.

Sec. 16. [84.034] [PEATLAND PROTECTION.]

Subdivision 1. [CITATION.] Sections 16 to 18 may be cited as the "Minnesota peatland protection act."

Subd. 2. [FINDINGS.] The legislature finds that certain Minnesota peatlands possess unique scientific, aesthetic, vegetative, hydrologic, geologic, wildlife, wilderness and educational values and represent the various peatland ecological types in the state. The legislature finds that it is desirable and appropriate to protect and preserve these patterned peatlands as a peatland management system through establishment and designation of certain peatland core areas as scientific and natural areas.

Subd. 3. [DEFINITIONS.] (1) Unless language or context clearly indicates that a different meaning is intended, the following terms, for the purposes of sections 16 to 18, have the meanings given to them.

(2) "Winter road" means an access route which may be used by vehicles only when the substrate is frozen.

(3) "Corridors of disturbance" means rights of way which are in existence on the effective date of this act, such as ditches, ditch banks, transmission lines, pipelines, permanent roads, winter roads, and recreational trails. The existence, on the effective date of this act, of a corridor of disturbance may be demonstrated by physical evidence, document recorded in the office of county recorder or other public official, aerial survey, or other evidence similar to the above.

(4) "State land" means land owned by the state of Minnesota and administered by the commissioner.

Subd. 4. [DESIGNATION OF PEATLAND SCIENTIFIC AND NATURAL AREAS.] Within the peatland areas described in section 17, state lands are hereby established and designated as scientific and natural areas to be preserved and managed by the commissioner in accordance with subdivision 5 and section 86A.05, subdivision 5.

Subd. 5. [ACTIVITIES IN PEATLAND SCIENTIFIC AND NATURAL AREAS.] Areas designated in subdivision 4 as peatland scientific and natural areas are subject to the following conditions:

(a) Except as provided in paragraph (b), all restrictions otherwise applicable to scientific and natural areas designated under section 86A.05, subdivision 5, apply to the surface use and to any use of the mineral estate which would significantly modify or alter the peatland water levels or flows, peatland water chemistry, plant or animal species or communities, or other natural features of the peatland scientific and natural areas, including but not limited to, the following prohibitions:

(1) construction of any new public drainage systems after the effective date of this act or improvement or repair to a public drainage system in existence on the effective date of this act, under authority of chapter 103E, or any other alteration of surface water or ground water levels or flows unless specifically permitted under paragraph (b), clause (5) or (6);

(2) removal of peat, sand, gravel, or other industrial minerals;

(3) exploratory boring or other exploration or removal of oil, natural gas, radioactive materials or metallic minerals which would significantly modify or alter the peatland water levels or flows, peatland water chemistry, plant or animal species or communities, or natural features of the peatland scientific and natural areas, except in the event of a national emergency declared by Congress;

(4) commercial timber harvesting;

(5) construction of new corridors of disturbance, of the kind defined in subdivision 3, after the effective date of this act; and

(6) ditching, draining, filling, or any other activities which modify or alter the peatland water levels or flows, peatland water chemistry, plant or animal species or communities, or other natural features of the peatland scientific and natural areas.

(b) The following activities are allowed:

(1) recreational activities, including hunting, fishing, trapping, cross country skiing, snowshoeing, nature observation, or other

recreational activities permitted in the management plan approved by the commissioner;

(2) scientific and educational work and research;

(3) maintenance of corridors of disturbance, including survey lines, consistent with protection of the peatland ecosystem;

(4) use of corridors of disturbance unless limited by a management plan adopted by the commissioner under subdivision 6;

(5) improvements to a public drainage system in existence on the effective date of this act only when it is for the protection and maintenance of the ecological integrity of the peatland scientific and natural area and when included in a management plan adopted by the commissioner under subdivision 6;

(6) repairs to a public drainage system in existence on the effective date of this act which crosses a peatland scientific and natural area and is used for the purposes of providing a drainage outlet for lands outside of the peatland scientific and natural area, provided that there are no other feasible and prudent alternative means of providing the drainage outlet. The commissioner shall cooperate with the ditch authority in the determination of any feasible and prudent alternatives. No repairs which would significantly modify or alter the peatland water levels or flows, peatland water chemistry, plant or animal species or communities, or other natural features of the peatland scientific and natural areas shall be made unless approved by the commissioner;

(7) motorized uses that are engaged in, on corridors of disturbance, on or before the effective date of this act;

(8) control of forest insects, disease, and wildfires, as described in a management plan adopted by the commissioner under subdivision 6; and

(9) geological and geophysical surveys which would not significantly modify or alter the peatland water levels or flows, peatland water chemistry, plant or animal species or communities, or other natural features of the peatland scientific and natural areas.

Subd. 6. [MANAGEMENT PLANS.] The commissioner shall develop a management plan for each peatland scientific and natural area designated under section 17 in a manner prescribed by section 86A.09.

Subd. 7. [ESTABLISHING BASELINE ECOLOGICAL DATA.] The commissioner shall establish baseline data on the ecology and biological diversity of peatland scientific and natural areas and

provide for ongoing, long-term ecological monitoring to determine whether changes are occurring in the peatland scientific and natural areas. This research is intended to identify any changes occurring in peatland scientific and natural areas as a result of any permitted activities outside the peatland scientific and natural areas. This baseline data may include, but is not limited to, the history of the peatlands and their geologic origins, plant and animal communities, hydrology, water chemistry, and contaminants introduced from remote sources of atmospheric deposition.

Subd. 8. [DITCH ABANDONMENTS.] In order to eliminate repairs or improvements to any public drainage system that crosses a peatland scientific and natural area in those instances where the repair or improvement adversely affects an area, the commissioner may petition for the abandonment of parts of the public drainage system under section 106A.811. If the public drainage system is necessary as a drainage outlet for lands outside of the peatland scientific and natural area, the commissioner will cooperate with the ditch authority in the development of feasible and prudent alternative means of providing a drainage outlet which avoids the crossing of and damage to the peatland scientific and natural area. In so doing, the commissioner shall grant flowage easements to the ditch authority for disposal of the outlet water on other state lands. The ditch authority shall approve the abandonment of parts of any public drainage system crossing a peatland scientific and natural area if the public drainage system crossing of those areas is not necessary as a drainage outlet for lands outside of the areas or if there are feasible and prudent alternative means of providing a drainage outlet without crossing such areas. In any abandonment under this subdivision the commissioner may enter into an agreement with the ditch authority regarding apportionment of costs and, contingent upon appropriations of money for that purpose, may agree to pay a reasonable share of the cost of abandonment.

Subd. 9. [COMPENSATION FOR TRUST FUND LANDS.] The commissioner shall acquire by exchange or eminent domain the surface interests, including peat, on trust fund lands contained in peatland scientific and natural areas established in subdivision 4.

Sec. 17. [84.035] [PEATLAND SCIENTIFIC AND NATURAL AREAS, DESIGNATION.]

The following scientific and natural areas are established and are composed of all of the core peatland areas identified on maps in the 1984 commissioner of natural resources report, "Recommendations for the Protection of Ecologically Significant Peatlands in Minnesota" and maps on file at the department of natural resources:

(1) Red Lake Scientific and Natural Area in Beltrami, Koochiching, and Lake of the Woods counties;

(2) Myrtle Lake Scientific and Natural Area in Koochiching county;

(3) Lost River Scientific and Natural Area in Koochiching county;

(4) North Black River Scientific and Natural Area in Koochiching county;

(5) Sand Lake Scientific and Natural Area in Lake county;

(6) Mulligan Lake Scientific and Natural Area in Lake of the Woods county;

(7) Lost Lake Scientific and Natural Area in St. Louis county;

(8) Pine Creek Scientific and Natural Area in Roseau county;

(9) Hole in the Bog Scientific and Natural Area in Cass county;

(10) Wawina Scientific and Natural Area in St. Louis county;

(11) Nett Lake Scientific and Natural Area in Koochiching county;

(12) East Rat Root River Scientific and Natural Area in Koochiching county;

(13) South Black River Scientific and Natural Area in Koochiching county;

(14) Winter Road Lake Scientific and Natural Area in Koochiching county;

(15) Sprague Creek Scientific and Natural Area in Roseau county;

(16) Luxemburg Scientific and Natural Area in Roseau county;

(17) West Rat Root River Scientific and Natural Area in Koochiching county; and

(18) Norris Camp Scientific and Natural Area in Lake of the Woods county.

Sec. 18. Minnesota Statutes 1990, section 103G.231, is amended by adding a subdivision to read:

Subd. 3. [PEAT MINING.] Peat mining, as defined in section 93.461, is permitted subject to the mine permit and reclamation

requirements of sections 93.44 to 93.51, and the rules adopted under those restrictions, except as provided for in sections 16 to 18.

Sec. 19. [103G.2241] [EXCEPTIONS.]

Subdivision 1. [AGRICULTURAL EXEMPTIONS.] Wetlands identified in section 14 are not subject to mitigation or replacement if:

(1) the wetland is a type 1 on agricultural land, as defined in United States Fish and Wildlife Circular No. 39 (1971 edition);

(2) the wetland is type 2 and is two acres in size or less and is located on agricultural land, except for bottomland hardwood type 1 wetlands;

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

(4) the wetland is located between the banks of a ditch, as defined in section 103E.005, subdivision 8; or is located between the crowns of the leveled spoil banks planted with permanent grass, as provided in section 103E.021; and the wetland is drained pursuant to a ditch repair as defined in section 103E.701;

(5) the wetland is located within the right-of-way of a ditch and the filling is limited to side casting of spoil materials resulting from a ditch repair or maintenance project;

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

(7) the wetland is on agricultural land annually enrolled in the federal Food, Agricultural, Conservation, and Trade Act of 1990, as amended, and is subject to sections 1421 to 1424 of the federal act in effect on January 1, 1991, except that land enrolled in a federal farm program is eligible for easement participation for those acres not already compensated under a federal program;

(8) the wetland was created after December 23, 1985, solely as a result of beaver dam construction, or the blockage of culverts through roadways maintained by a public or private authority;

(9) the wetland was created after December 23, 1985, by the constriction or blockage of a tile or ditch drainage facility existing

on or before the effective date of this act, whether the constriction or blockage has occurred within the wetland or at a point downstream from the wetland;

(10) the wetland was planted and harvested with annually seeded crops or was in a crop rotation seeding of pasture grasses or legumes six of the ten years prior to January 1, 1991, or is included under the federal conservation reserve program in United States Code, title 16, section 3831; or

(11) a parcel containing approximately 50 acres in Washington county described as the northeast quarter of the northwest quarter and the southeast quarter of the northwest quarter of section 32, township 29 north, range 21 west lying east of Minnesota trunk highway No. 694, and the south 466.69 feet of the west 466.69 feet of the northwest quarter of the northeast quarter of section 32, township 29 north, range 21 west.

Subd. 2. [EXEMPTION FOR APPROVED PROJECTS.] Development projects and ditch improvement projects in the state that have received preliminary or final plat approval, or infrastructure that has been installed, or having site plan approval, conditional use permits, or similar official approval by a governing body or government agency, on or before the effective date of this act are exempt from provisions of this act. In the seven-county metropolitan area and in cities of the first and second class, plat approval must be preliminary as approved by the appropriate governing body.

Subd. 3. [EXEMPTION FOR WILD RICE LANDS.] The provisions of this act do not apply to land on which wild rice is planted, grown, and harvested, or land for which a permit is acquired for the development of water impoundment structures and facilities for the growth and harvesting of wild rice.

Sec. 20. [103G.2242] [MITIGATION PLANS.]

Subdivision 1. [RULES.] (a) By December 31, 1992, the commissioner, in consultation with the commissioner of agriculture, shall adopt rules governing the approval of mitigation plans under this section. These rules must address the criteria, procedure, timing, and location of acceptable mitigation; may address the state establishment and administration of a wetland banking program for public and private projects, which may include mitigation provisions allowing monetary payment to the wetland banking program for alteration of agricultural wetlands; the methodology to be used in identifying and evaluating wetland functions; the administrative, monitoring, and enforcement procedures to be used; and a procedure for the review and appeal of decisions under this section. In the case of peatlands, the mitigation plan rules must consider the impact on carbon balance described in the report required by Laws 1990, chapter 587, and include the planting of trees or shrubs.

(b) Prior to the adoption of the commissioner's rules, a mitigation plan must be approved by a six-member review panel within 120 days of application. The review panel shall be composed of the area regional administrator for the department of natural resources, the area regional director of the pollution control agency, one board member of the local soil and water conservation district or districts within the county, one manager of the watershed district, one member of the local water planning organization who must be appointed by the county board, and the commissioner of agriculture or the commissioner's designee. Where there is no watershed district, a member of the governing board of the county or city shall be present on the review panel.

(c) The review panel must use the "Minnesota Wetland Evaluation Methodology" as the criteria for ensuring that a degraded wetland must be mitigated effectively before a mitigation plan is approved.

(d) After the adoption of the rules, the mitigation plan must be approved by a resolution of the governing body of the local government unit, consistent with the provisions of the rules.

(e) If the local government unit fails to apply the rules, the government unit is subject to penalty under law, the loss of financial assistance under section 103B.3369, subdivision 5, and the commissioner must assume authority for approval of mitigation plans within the affected jurisdiction.

(f) The commissioner must notify the board of water and soil resources and the commissioner of agriculture when assuming authority for approval of mitigation plans under paragraph (e).

Subd. 2. [EVALUATION.] Questions concerning the location, size, or type of a wetland shall be submitted to and determined by a technical evaluation panel after an on-site inspection. The technical evaluation panel shall be composed of a technical professional employee of the department of natural resources, a technical professional employee of the local soil and water conservation district or districts, and an engineer for the local government unit. The panel must consult with and be in concurrence with the United States Fish and Wildlife Service and the national wetland inventory maps. The panel shall provide the wetland determination to the authority that must approve a mitigation plan under this section, and may recommend approval or denial of the mitigation plan. The authority must consider and include the decision of the technical evaluation panel in their approval or denial of a mitigation plan.

Subd. 3. [MITIGATION COMPLETION.] Mitigation must be completed prior to or concurrent with the actual draining or filling of a wetland, or an irrevocable bank letter of credit or other security

acceptable to the local government unit must be given to the local unit to guarantee the successful completion of the mitigation.

Subd. 4. [DECISION.] Upon receiving and considering all required data, the local government unit or commissioner approving a mitigation plan must act on all applications for mitigation plan approval within 120 days.

Subd. 5. [NOTICE OF APPLICATION.] Within ten days of receiving an application for approval of a mitigation plan under this section, a copy of the application must be submitted to the commissioner for publication in the Environmental Quality Board Monitor and separate copies mailed to individual members of the public who request a copy, the board of supervisors of the soil and water conservation district, the managers of the watershed district, the board of county commissioners, the commissioner of agriculture, and the mayors of the cities within the area watershed. At the same time, the local government unit must give general notice to the public in a general circulation newspaper within the area affected.

Subd. 6. [NOTICE OF DECISION.] At least 30 days prior to the effective date of the approval or denial of a mitigation plan under this section, a copy of the approval or denial must be submitted for publication in the Environmental Quality Board Monitor and separate copies mailed to the applicant, the commissioner, individual members of the public who request a copy, the board of supervisors of the soil and water conservation district, the managers of the watershed district, the board of county commissioners, the commissioner of agriculture, and the mayors of the cities within the area watershed.

Subd. 7. [PUBLIC COMMENT PERIOD.] Before approval or denial of a mitigation plan under this section, comments may be made by the public to the local government unit or the commissioner for a period of 60 days.

Subd. 8. [APPEAL.] Appeal of the decision may be obtained by mailing a notice of appeal to the board of water and soil resources within 30 days after the postmarked date of the mailing specified in subdivision 6. If appeal is not sought within 30 days, the decision becomes final. Appeal may be made by the wetland owner, by any of those to whom notice is required to be mailed under subdivision 6, or by 100 residents of the county in which a majority of the wetland is located. All appeals must be heard by the committee for dispute resolution of the board of water and soil resources, and a decision made within 60 days of the appeal. The decision must be served by mail on the parties to the appeal, and is not subject to the provisions of chapter 14. The decision must be considered the decision of an agency in a contested case for purposes of judicial review under sections 14.63 to 14.69.

Subd. 9. [LOCAL REQUIREMENTS.] The rules adopted under subdivision 1 shall allow for local government units to use their own notice and public comment procedures so long as the requirements of this section are satisfied.

Subd. 10. [WETLAND HERITAGE ADVISORY COMMITTEE.] The governor shall establish a wetland heritage advisory committee consisting of a balanced diversity of interests including agriculture, environmental, and sporting organizations, land development organizations, local government organizations, and other agencies. The committee must consist of nine members including the commissioner of agriculture, or a designee of the commissioner, the director of the board of water and soil conservation, and seven members appointed by the governor. The governor's appointees must include one county commissioner, one representative each from a statewide sportsman's organization, a statewide conservation organization, an agricultural commodity research and promotion council, one faculty member of an institution of higher education with expertise in the natural sciences, and one member each from two statewide farm organizations. The committee shall advise the commissioner on the development of rules and, after rule adoption, shall meet twice a year to review implementation of the program, to identify strengths and weaknesses, and to recommend changes to the rules and the law to improve the program.

Subd. 11. [MITIGATION CREDITS.] No public or private wetland restoration, enhancement, or construction may be allowed for mitigation unless specifically designated for mitigation and paid for by the individual or organization performing the wetland restoration, enhancement, or construction, and is completed prior to any draining or filling of the wetland.

This subdivision does not apply to a wetland whose owner has paid back with interest the individual or organization restoring, enhancing, or constructing the wetland.

Subd. 12. [MITIGATED WETLAND ELIGIBLE FOR RIM.] A mitigated wetland under this section, in which the mitigation is located on the wetland owner's land, is eligible for enrollment under section 103F.515 one year after the completion of mitigation.

Sec. 21. [103G.226] [LOCAL GOVERNMENT UNITS AUTHORITY.]

A local government unit may adopt rules or ordinances that are more stringent than required by sections 14 and 20.

Sec. 22. [103G.227] [DRAINING PUBLIC WATERS; DRAINAGE SYSTEM MAINTENANCE.]

(a) No public ditch may be repaired in such a way as to partially or completely drain a public water inventoried under section 103G.201, except as provided in section 103G.221. This section does not limit the rights of a landowner to maintain an existing drainage system within the criteria set forth in section 19.

(b) This section and the provisions of sections 14 and 20 do not apply to the maintenance or repair of existing drainage systems when the maintenance or repair are necessary to allow for the continuation of prevailing farming practices and cropping history, including alterations necessary to correct failure of a system due to land subsidence.

(c) On land farmable in six of ten years, if a tile line must be replaced to conform with modern farm practices, the replacement tile may be larger and placed at a greater depth than the tile being replaced.

Sec. 23. [103G.228] [ENFORCEMENT.]

Subdivision 1. [CRIMINAL PENALTY.] Violation of this act constitutes a misdemeanor.

Subd. 2. [COURT COSTS.] Upon conviction, a violator of this act must pay all applicable court costs.

Subd. 3. [DAMAGED WETLAND.] Conviction under this act must require a violator to restore or replace any diminished or destroyed wetland. The imposed penalty under subdivision 1 may be reduced by 50 percent if the convicted violator restores the wetland within 30 days of notice of the conviction.

Subd. 4. [COMMISSIONER.] The commissioner or authorized agent is responsible for enforcement of this act.

Sec. 24. Minnesota Statutes 1990, section 103G.231, is amended by adding a subdivision to read:

Subd. 4. [USE OF WETLANDS FOR FOREST MANAGEMENT ACTIVITIES.] (a) Temporarily crossing or entering a wetland to perform silvicultural activities, including timber harvest as part of a forest management activity, is permitted so long as the activity limits the impact on the hydrologic and biologic characteristics of the wetland; the activities do not result in the construction of dikes, drainage ditches, tile lines, or buildings; and the timber harvesting and other silvicultural practices do not result in the drainage of the wetland or public waters.

(b) Permanent access for forest roads across wetlands is permitted so long as the activity limits the impact on the hydrologic and

biologic characteristics of the wetland; the construction activities do not result in the access becoming a dike, drainage ditch or tile line; with filling avoided wherever possible; and there is no drainage of the wetland or public waters.

Sec. 25. [103G.232] [USE OF WETLANDS FOR OTHER PURPOSES.]

Subdivision 1. [AGRICULTURAL PURPOSES.] Activities associated with agriculture carried out for the purpose of growing, protecting, harvesting, or sustaining agricultural production are permitted so long as these activities do not result in the drainage or filling, wholly or partially, of a wetland or public water.

Subd. 2. [ROADWAYS AND BRIDGES.] Activities associated with routine maintenance of existing public highways, roads, streets, and bridges, or replacement of or minor improvements to structurally deficient or functionally obsolete structures where the improvements are necessary to meet current design and safety standards, are permitted so long as these activities do not result in the drainage or filling, wholly or partially, of a wetland or public waters.

Subd. 3. [PERMITTED STRUCTURES.] Normal maintenance and repair of a permitted structure or a structure constructed before the effective date of this section is permitted so long as it does not result in the drainage or filling, wholly or partially, of the wetland or public waters.

Subd. 4. [RIGHTS-OF-WAY MAINTENANCE.] Activities associated with routine maintenance of utility and pipeline rights-of-way are permitted as long as the right-of-way is not increased.

Sec. 26. Minnesota Statutes 1990, section 446A.12, subdivision 1, is amended to read:

Subdivision 1. [BONDING AUTHORITY.] The authority may issue negotiable bonds in a principal amount that the authority determines necessary to provide sufficient funds for achieving its purposes, including the making of loans and purchase of securities, the payment of interest on bonds of the authority, the establishment of reserves to secure its bonds, the payment of fees to a third party providing credit enhancement, and the payment of all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers, but not including the making of grants. Bonds of the authority may be issued as bonds or notes or in any other form authorized by law. The principal amount of bonds issued and outstanding under this section at any time may not exceed ~~\$150,000,000~~ \$250,000,000.

Sec. 27. [REPEALER.]

Minnesota Statutes 1990, section 103G.221, subdivisions 2 and 3, are repealed.

Sec. 28. [APPROPRIATION AND BONDS.]

Subdivision 1. [NEW BONDING AUTHORITY.] \$50,000,000 is appropriated from the bond proceeds fund to be divided as follows:

(1) \$21,000,000 is appropriated to the board of water and soil resources to implement section 4, of which up to \$5,000,000 may be expended for wetland restoration under section 103F.515;

(2) \$29,000,000 is appropriated as follows to:

(a) Board of water and soil resources for the reinvest in Minnesota conservation reserve program, section 103F.515: \$1,000,000;

(b) Commissioner of natural resources for the reinvest in Minnesota resources program: \$9,350,000 divided as follows: acquire and enhance fish and wildlife under section 84.95, subdivision 2, clause (4):

(1) fish habitat acquisition: \$400,000;

(2) wildlife habitat acquisition: \$1,000,000;

(3) statewide scientific and natural areas acquisition and enhancement: \$500,000;

(4) scientific and natural areas acquisition and enhancement within the seven-county metropolitan area: \$500,000;

(5) wildlife habitat enhancement: \$850,000;

(6) fish habitat enhancement: \$800,000;

(7) grassland/brushland enhancement: \$800,000;

(8) native prairie bank lands, acquisition and improvement of, under section 84.96: \$1,000,000; and

(9) transfer to the critical habitat private sector matching account for purposes of sections 84.943 and 84.944: \$3,500,000.

(c) Commissioner of natural resources for the following purposes:

(1) state trail development outside of the seven-county metropolitan area, including the Root River trail: \$1,500,000;

(2) state trail development inside the seven-county metropolitan area: \$1,000,000;

(3) state park acquisition: \$1,500,000;

(4) state park development: \$3,000,000;

(5) state forest acquisition within Dorer memorial forest: \$250,000;

(6) statewide public access acquisition and enhancement: \$500,000;

(7) public access acquisition and enhancement within the seven-county metropolitan area: \$1,000,000; and

(8) for a grant to the joint powers board, Cannon valley trail for Cannon River valley trail development: \$150,000.

The appropriation under clause (8) for the Cannon Valley trail may not be spent unless any fee charged for use of the trail is the same amount for all Minnesota resident trail users.

(d) Commissioner of trade and economic development for regional park acquisition and development, including Cedar Lake park acquisition in the cities of Minneapolis and St. Louis Park that is identified in the metropolitan parks and open space commission plan, and \$250,000 for regional park acquisition outside the seven-county metropolitan area: \$9,750,000.

To provide the funds, the commissioner of finance on request of the governor shall sell and issue bonds of the state in an amount up to \$50,000,000 in the manner, upon the terms and with the effect prescribed by sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI. Money appropriated from the general fund for debt service on general obligation bonds by 1991 House File No. 53, shall be applied to pay for the bonds.

(e) Of the appropriations in this section, no more than ten percent may be used for administrative expenses.

Subd. 2. [EXISTING BONDING AUTHORITY.] Existing funds previously appropriated from the bond proceeds fund for the water-bank program under section 105.392 are transferred and appropriated to the board of water and soil resources for easements under section 103F.515.

Sec. 29. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

“A bill for an act relating to waters; establishing a program for the enhancement, preservation, and protection of wetlands within the state; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 103A.201; 103B.311, subdivision 6; 103E.701, by adding a subdivision; 103G.005, subdivisions 15 and 18, and by adding subdivisions; 103G.221, subdivision 1; 103G.231, by adding subdivisions; and 446A.12, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 84; 103F; and 103G; repealing Minnesota Statutes 1990, section 103G.221, subdivisions 2 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. 11, A bill for an act relating to human services; providing for cost-based reimbursement for outpatient services provided by pediatric specialty hospitals to children under age 18 under the medical assistance and general assistance medical care programs; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256B.

Reported the same back with the following amendments:

Page 1, line 11, delete “(a)”

Page 1, delete lines 17 to 26 and insert:

“Subd. 2. [REIMBURSEMENT LEVEL.] Effective for services rendered on or after July 1, 1991, the commissioner shall reimburse outpatient hospital facility fees to pediatric specialty hospitals, except for emergency room and clinic facility fees and fees for those services for which there is a federal maximum allowable, at 80 percent of calendar year 1990 charges. For pediatric specialty hospitals serving medical assistance and general assistance medical care recipients enrolled in capitation plans, the commissioner shall increase the medical assistance and general assistance medical care capitation rate cells established in contract by an amount equal to the equivalent value of this reimbursement increase. Payments under this subdivision must not exceed the Medicare upper payment limit, and must not result in reductions in outpatient reimbursement to hospitals that are not pediatric specialty hospitals.”

Page 2, delete lines 1 to 12

Page 2, line 14, delete "\$....." and insert "\$1,928,000"

Page 2, delete section 3

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert "modifying"

Page 1, line 4, delete "18" and insert "21"

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. 12, A bill for an act relating to insurance; regulating reinsurance and other insurance practices, investments, guaranty funds, and holding company systems; providing examination authority and reporting requirements; adopting various NAIC model acts and regulations; prescribing penalties; amending Minnesota Statutes 1990, sections 60A.02, by adding a subdivision; 60A.03, subdivision 5; 60A.031; 60A.07, subdivision 5d, and by adding a subdivision; 60A.09, subdivision 5, and by adding a subdivision; 60A.10, subdivision 2a; 60A.11, subdivisions 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 26, and by adding a subdivision; 60A.12, by adding a subdivision; 60A.13, subdivision 1; 60A.14, subdivision 1; 60A.27; 60B.25; 60B.37, subdivision 2; 60C.02, subdivision 1; 60C.03, subdivisions 6, 8, and by adding a subdivision; 60C.04; 60C.06, subdivision 1; 60C.09, subdivision 1; 60C.13, subdivision 1; 60C.14, subdivision 2; 60E.04, subdivision 7; 61A.25, subdivisions 3, 5, 6, and by adding subdivisions; 61A.28, subdivisions 1, 2, 3, 6, 8, 11, 12, and by adding a subdivision; 61A.281, by adding a subdivision; 61A.283; 61A.29; 61A.31; 62E.14, by adding a subdivision; 61B.12, by adding subdivisions; 62D.044; 62D.045, subdivision 1; 68A.01, subdivision 2; 72A.061, subdivision 1; 79.34, subdivision 1; and 609.902, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 60A, 60D, and 72A; proposing coding for new law as Minnesota Statutes, chapters 60H, 60I, and 60J; repealing Minnesota Statutes 1990, sections 60A.076; 60A.09, subdivision 4; 60A.12, subdivision 2; 60D.01 to 60D.08; 60D.10 to 60D.13; and 61A.28, subdivisions 4 and 5.

Reported the same back with the following amendments:

Page 101, line 16, strike the second "the" and insert "such"

Page 102, line 17, after "if" insert ", when calculated in combination with the assets described in section 62D.044, clause (17), the total of said assets and the real estate assets described hereunder do not exceed the total combined percent limitations allowable under this section and section 62D.044, clause (17), or, if"

Page 122, line 4, delete "1991" and insert "1992"

Page 129, line 31, delete everything after "1"

Page 129, line 32, delete everything before the period

Page 150, line 8, delete ", shareholders,"

Page 150, line 29, delete ", creditors and shareholders,"

Page 151, line 18, delete ", creditor and"

Page 151, line 19, delete "shareholders,"

Page 152, line 4, delete ", creditors, shareholders,"

Page 153, line 13, delete "severely" and insert "severally"

Page 154, line 8, delete ", shareholders, creditors,"

Page 169, after line 1, insert:

"Sec. 2. Minnesota Statutes 1990, section 60A.14, subdivision 1, is amended to read:

Subdivision 1. [FEES OTHER THAN EXAMINATION FEES.] In addition to the fees and charges provided for examinations, the following fees must be paid to the commissioner for deposit in the general fund:

(a) by township mutual fire insurance companies:

(1) for filing certificate of incorporation \$25 and amendments thereto, \$10;

(2) for filing annual statements, \$15;

(3) for each annual certificate of authority, \$15;

(4) for filing bylaws \$25 and amendments thereto, \$10.

(b) by other domestic and foreign companies including fraternal and reciprocal exchanges:

(1) for filing certified copy of certificate of articles of incorporation, \$100;

(2) for filing annual statement, \$225;

(3) for filing certified copy of amendment to certificate or articles of incorporation, \$100;

(4) for filing bylaws, \$75 or amendments thereto, \$75;

(5) for each company's certificate of authority, \$575, annually.

(c) the following general fees apply:

(1) for each certificate, including certified copy of certificate of authority, renewal, valuation of life policies, corporate condition or qualification, \$15;

(2) for each copy of paper on file in the commissioner's office 50 cents per page, and \$2.50 for certifying the same;

(3) for license to procure insurance in unadmitted foreign companies, \$575;

(4) for receiving and forwarding each notice, proof of loss, summons, complaint or other process served upon the commissioner of commerce, as attorney for service of process upon any nonresident agent or insurance company, including reciprocal exchanges, \$15 plus the cost of effectuating service by certified mail, which amount must be paid by the party serving the notice and may be taxed as other costs in the action;

(5) for valuing the policies of life insurance companies, one cent per \$1,000 of insurance so valued, provided that the fee shall not exceed ~~\$1,000~~ \$15,000 per year for any company. The commissioner may, in lieu of a valuation of the policies of any foreign life insurance company admitted, or applying for admission, to do business in this state, accept a certificate of valuation from the company's own actuary or from the commissioner of insurance of the state or territory in which the company is domiciled;

(6) for receiving and filing certificates of policies by the company's actuary, or by the commissioner of insurance of any other state or territory, \$50;

(7) for issuing an initial license to an individual agent, \$20 per license, for issuing an initial agent's license to a partnership or corporation, \$50, and for issuing an amendment (variable annuity) to a license, \$20, and for renewal of amendment, \$20;

(8) for each appointment of an agent filed with the commissioner, a domestic insurer shall remit \$5 and all other insurers shall remit \$3;

(9) for renewing an individual agent's license, \$20 per year per license, and for renewing a license issued to a corporation or partnership, \$50 per year;

(10) for issuing and renewing a surplus lines agent's license, \$150;

(11) for issuing duplicate licenses, \$5;

(12) for issuing licensing histories, \$10;

(13) for filing forms and rates, \$50 per filing;

(14) for annual renewal of surplus lines insurer license, \$300.

The commissioner shall adopt rules to define filings that are subject to a fee."

Page 171, after line 6, insert:

"Sec. 7. [62A.135] [NONCOMPREHENSIVE POLICIES; MINIMUM LOSS RATIOS.]

(a) This section applies to individual or group policies, certificates, or other evidence of coverage designed primarily to provide coverage for hospital or medical expenses on a per diem, fixed indemnity, or nonexpense incurred basis offered, issued, or renewed, to provide coverage after August 1, 1991, to a Minnesota resident.

(b) Notwithstanding section 62A.02, subdivision 3, relating to loss ratios, policies must return to Minnesota policyholders in the form of aggregate benefits under the policy, for each year, on the basis of incurred claims experience and earned premiums in Minnesota and in accordance with accepted actuarial principles and practices:

(1) at least 75 percent of the aggregate amount of premiums collected in the case of group policies; and

(2) at least 65 percent of the aggregate amount of premiums collected in the case of individual policies.

(c) Noncomprehensive policies subject to the provisions of this section are also subject to the requirements, penalties, and remedies applicable to medicare supplement policies, as set forth in section 62A.36, subdivisions 1a, 1b, and 2.

The first supplement to the annual statement required to be filed pursuant to this paragraph must be for the annual statement required to be submitted on or after January 1, 1992."

Page 172, line 10, delete "61B.28" and insert "61B.12, subdivision 6,"

Page 172, delete section 9 and insert:

"Sec. 11. [NONCOMPREHENSIVE POLICIES; RESERVES AND INVESTMENTS STUDY.]

The department of commerce shall review the adequacy of reserves of companies selling noncomprehensive policies subject to Minnesota Statutes, section 62A.135. The department shall also review the earnings generated from the investment of the premium dollars paid for these policies. The review under this section shall be treated as an examination for purposes of applying the requirements of Minnesota Statutes, section 60A.031.

The department shall report the results of its review to the chairs of the house financial institutions and insurance committee and the senate commerce committee by January 1, 1992.

Sec. 12. [DEPARTMENT OF COMMERCE; APPROPRIATION AND COMPLEMENT.]

There is appropriated to the department of commerce from the general fund \$727,000 for fiscal year 1992 and \$737,000 for fiscal year 1993 for purposes of this act. The approved complement of the department of commerce is increased by 14 positions in fiscal year 1992 and by two additional positions, for a total of 16 positions, in fiscal year 1993.

Sec. 13. [ATTORNEY GENERAL; APPROPRIATION AND COMPLEMENT.]

There is appropriated to the attorney general from the general fund \$100,000 for fiscal year 1992 and \$100,000 for fiscal year 1993 for purposes of this act. The approved complement of the attorney general is increased by two positions."

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 28, before "and" insert "62A,"

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. 218, A bill for an act relating to occupations and professions; requiring residential building contractors, remodelers, and specialty contractors to be licensed by the state; establishing a builders state advisory council; providing penalties; appropriating money; amending Minnesota Statutes 1990, section 45.027, subdivisions 1, 2, 5, 6, 7, and 8; proposing coding for new law in Minnesota Statutes, chapter 326.

Reported the same back with the following amendments:

Page 8, line 11, after the headnote insert "The licensing fee for residential building contractors and remodelers is \$60 for the license period ending March 31, 1993, and \$75 for each year thereafter. The commissioner may adjust the fees under section 16A.128 to recover the costs of administration and enforcement."

Page 8, lines 12 and 13, delete "residential building contractors, remodelers, and"

Page 8, line 13, before the period insert "under section 16A.128"

Page 8, delete lines 15 to 17 and insert "be deposited in the state treasury and credited to the general fund."

Page 9, delete lines 4 to 15

Page 9, line 16, delete everything before "A"

Page 15, after line 18, insert:

"Sec. 23. [INITIAL TEMPORARY LICENSES.]

Residential building contractors and remodelers must obtain a temporary license, which is effective as of January 1, 1992. The commissioner may stagger the temporary licenses so that approxi-

mately one-half of the licenses will expire on March 31, 1993, and the other one-half on March 31, 1994."

Page 15, delete lines 20 and 21 and insert:

"\$912,000 is appropriated from the general fund to the commissioner of commerce to administer sections 7 to 22. \$436,000 is for fiscal year 1992 and \$476,000 is for fiscal year 1993.

\$216,000 is appropriated from the general fund to the attorney general to administer sections 7 to 22. \$88,000 is for fiscal year 1992 and \$128,000 is for fiscal year 1993."

Page 15, line 23, before "Sections" insert "Section 8 is effective January 1, 1992."

Renumber the sections in sequence

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. 321, A bill for an act relating to marriage dissolution; requiring a summons to contain certain information; providing for court approval of certain items without a hearing; changing requirements for court orders in contested custody cases and providing for payment of investigation costs; limiting joint custody; creating a summary dissolution pilot project; appropriating money for legal service to low-income persons and for marriage dissolution education and orientation; amending Minnesota Statutes 1990, sections 518.13, by adding a subdivision; 518.167, subdivision 1, and by adding a subdivision; and 518.17, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 518.

Reported the same back with the following amendments:

Page 2, delete section 3

Page 3, line 15, delete the period and insert ", except that"

Page 3, line 16, delete "order" and insert "assess" and delete "to be paid by" and insert "against"

Page 6, delete lines 26 to 31

Page 6, line 32, delete "Subd. 2. [MARRIAGE DISSOLUTION ORIENTATION.]" and delete "\$....." and insert "\$30,000"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "changing"

Page 1, delete line 5

Page 1, line 6, delete "cases and"

Page 1, line 9, delete everything before "marriage"

Page 1, line 12, delete "subdivision 1, and"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 463, A bill for an act relating to motor vehicles; allowing personalized license plates for classic, pioneer, collector, and street rod vehicles; providing for seven-year, in transit license plates for motor vehicle dealers; making technical changes in driver's license law; clarifying procedure for review of driver's license revocation or disqualification under implied consent law; defining hazardous materials, commercial motor vehicle, and farm truck; allowing class C driver's license holder to tow when the gross weight of the vehicles is 26,000 pounds or less; restricting exemption for drivers of certain federal vehicles from requirement to possess commercial driver's license; clarifying offenses for which driver may be disqualified from holding commercial driver's license; requiring person whose driver's license has been revoked to pass examination under certain circumstances; permitting qualified driver to obtain limited license following revocation for failure to have vehicle insurance; amending Minnesota Statutes 1990, sections 168.10, subdivisions 1a, 1b, 1c, and 1d; 168.105, subdivisions 2 and 3; 168.12, subdivisions 1 and 2a; 168.27, subdivisions 16 and 17; 169.01, subdivision 75, and by adding a subdivision; 169.121, subdivision 8; 169.123, subdivisions 5c and 8; 171.01, subdivision 22, and by adding subdivisions; 171.02, subdivision 2, and by adding a subdivision; 171.03; 171.165, subdivision 3; 171.29, subdivision 1; 171.30, subdivision 1; and 297B.035, subdivision 2.

Reported the same back with the following amendments:

Page 2, lines 6 to 8, delete the new language

Page 2, line 35 to page 3, line 1, delete the new language

Page 7, lines 9 to 11, delete the new language

Page 8, lines 1 and 2, delete the new language

Page 8, delete section 5

Page 9, line 28, strike "Number plates issued pursuant to"

Page 9, line 29, delete "section" and strike "168.053 shall be for a"

Page 9, strike line 30

Page 9, line 31, strike "(2)"

Page 9, line 36, strike "(3)" and insert "(2)"

Page 10, line 5, strike "(4)" and insert "(3)" and delete "section" and insert "sections 168.053 and"

Page 10, line 7, delete "(5)" and insert "(4)"

Page 10, line 8, delete "(4)" and insert "(3)"

Page 11, lines 1 to 4, delete the new language

Page 17, after line 19, insert:

"Sec. 18. Minnesota Statutes 1990, section 171.02, subdivision 1, is amended to read:

Subdivision 1. No person, except those hereinafter expressly exempted, shall drive any motor vehicle upon any street or highway in this state unless such person has a license valid under the provisions of this chapter for the type or class of vehicle being driven. No person shall receive a driver's license unless and until the person surrenders to the department all valid driver's licenses in possession issued to the person by any other jurisdiction. All surrendered licenses shall be returned by the department to the issuing department together with information that licensee is now licensed in new jurisdiction. No person shall be permitted to have more than one valid driver's license at any time. No person may receive a driver's license, other than an instruction permit or a limited license, unless

the person surrenders to the department any Minnesota identification card issued to the person under section 171.07, subdivision 3.”

Page 20, after line 14, insert:

“Sec. 22. Minnesota Statutes 1990, section 171.07, subdivision 3, is amended to read:

Subd. 3. Upon payment of the required fee, the department shall issue to every applicant therefor a Minnesota identification card. The department may not issue a Minnesota identification card to a person who has a driver’s license, other than an instruction permit or a limited license. The card must bear a distinguishing number assigned to the applicant, a colored photograph or an electronically produced image, the full name, date of birth, residence address, a description of the applicant in the manner as the commissioner deems necessary, and a space upon which the applicant shall write the usual signature and the date of birth of the applicant with pen and ink.

Each Minnesota identification card must be plainly marked “Minnesota identification card – not a driver’s license.” The fee for a Minnesota identification card issued to a person who is mentally retarded, as defined in section 252A.02, subdivision 2, is 50 cents.”

Page 22, line 34, before “Sections” insert “Sections 18 and 22 are effective the day following final enactment.” and delete “25” and insert “26”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 23, delete “subdivisions 2 and” and insert “subdivision”

Page 1, line 28, delete the first “subdivision” and insert “subdivisions 1,”

Page 1, line 29, after the second semicolon insert “171.07, subdivision 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. 467, A bill for an act relating to agriculture; providing for state inspection of certain meat processing facilities; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [SURVEY OF MEAT PROCESSORS.]

The commissioner of agriculture shall conduct a survey of meat handlers to determine the level of interest in establishing a state meat inspection program. The survey must be based on a methodology that will inform survey participants of the costs and other implications of a state meat inspection program meeting federal meat inspection requirements.

Sec. 2. [REPORT.]

Not later than February 1, 1992, the commissioner of agriculture shall report to the agriculture committees of the senate and the house of representatives on findings of the survey required in section 1 and any legislative recommendations.

Sec. 3. [APPROPRIATION.]

\$10,000 is appropriated from the general fund to the commissioner of agriculture for the study and report required in sections 1 and 2.”

Delete the title and insert:

“A bill for an act relating to meat processors; requiring the commissioner of agriculture to survey certain meat processors to determine interest in a state meat inspection program; requiring a report; 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. 655, A bill for an act relating to traffic regulations; establishing maximum height for rear bumpers of certain semitrailers; allowing certain equipment to be excluded from computing the maximum allowable length of a semitrailer or trailer used in a three-vehicle combination; providing an exception to the length limitation on certain vehicle combinations; limiting maximum weight allowed on certain vehicle tires; conforming state highway weight limitations to federal requirements; imposing a cost-per-mile fee on certain overweight vehicles; adding an exemption to the motor carrier act; authorizing a variance for small cargo tanks; establishing the initial motor carrier contact program; amending Minnesota Statutes 1990, sections 169.73, subdivision 4a; 169.81, subdivisions 2 and 3; 169.825, subdivisions 8 and 10; 169.86, subdivision 5; 221.025; and 221.033, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 221.

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. 678, A bill for an act relating to juveniles; requiring a study of the juvenile certification process.

Reported the same back with the following amendments:

Page 2, after line 33, insert:

“Sec. 2. [APPROPRIATION.]

The sum of \$5,000 is appropriated to the state court administrator.”

Page 2, line 34, delete “2” and insert “3”

Amend the title as follows:

Page 1, line 3, before the period 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. 783, A bill for an act relating to health; modifying requirements for drilling, sealing, and construction of wells, borings, and elevator shafts; amending Minnesota Statutes 1990, sections 103I.005, subdivisions 2, 22, and by adding a subdivision; 103I.101, subdivisions 2, 4, 5, and 6; 103I.111, subdivisions 2a, 2b, 3, and by adding a subdivision; 103I.205, subdivisions 1, 3, 4, 7, 8, and 9; 103I.208, subdivision 2; 103I.231; 103I.235; 103I.301, subdivision 1, and by adding a subdivision; 103I.311, subdivision 3; 103I.525, subdivisions 1, 4, 8, and 9; 103I.531, subdivisions 8 and 9; 103I.535, subdivisions 8 and 9; 103I.541, subdivisions 4 and 5; 103I.545, subdivision 2; 103I.621, subdivision 3; 103I.701, subdivisions 1 and 4; 103I.705, subdivisions 2, 3, 4, and 5; and 103I.711, subdivision 1; repealing Minnesota Statutes 1990, section 103I.005, subdivision 18.

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. 996, A bill for an act relating to utilities; requiring that applicants under the telephone assistance plan be certified by the department of human services for eligibility before receiving benefits; requiring reports; amending Minnesota Statutes 1990, section 237.70, subdivision 7.

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. 1687, A bill for an act relating to education; establishing missions for public post-secondary systems; requiring joint administrative appointments; clarifying the powers and duties of the higher education coordinating board; creating a commission to

develop a master plan and a new funding formula; providing incentives for quality; requiring policies for credit transfer; establishing an intersystem council; creating technical college districts; requiring a study of uses of Waseca campus; appropriating money; amending Minnesota Statutes 1990, section 136A.04, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 135A and 136C.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1, 11, 12, 218, 321, 463, 467, 655, 678, 783, 996 and 1687 were read for the second time.

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 names of Winter, Lourey, McGuire and Pelowski be added as authors on H. F. No. 32. The motion prevailed.

Orenstein moved that the name of Solberg be added as an author on H. F. No. 867. 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. 478:

Lasley, Scheid, Osthoff, Abrams and Solberg.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1631:

Kahn, Pugh, Solberg, Trimble and Bishop.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 81:

Janezich, Jefferson and Pellow.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 793:

Wagenius; Johnson, R., and Pauly.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 1:00 p.m., Monday, May 13, 1991. 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, May 13, 1991.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SEVENTH SESSION—1991

FIFTY-SECOND DAY

SAINT PAUL, MINNESOTA, MONDAY, MAY 13, 1991

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 Mark Bengtson, Amo, Red Rock and Jeffers Methodist Churches, Jeffers, 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	Frederick	Kelso	Ogren	Segal
Anderson, I.	Frerichs	Kinkel	Olsen, S.	Simoneau
Anderson, R.	Garcia	Knickerbocker	Olsen, E.	Skoglund
Anderson, R. H.	Girard	Koppendrayner	Olson, K.	Smith
Battaglia	Goodno	Krinkie	Omann	Solberg
Bauerly	Greenfield	Krueger	Onnen	Sparby
Beard	Gruenes	Lasley	Orenstein	Stanius
Begich	Gutknecht	Leppik	Orfield	Steensma
Bertram	Hanson	Lieder	Osthoff	Svigum
Bettermann	Hartle	Limmer	Ostrom	Swenson
Bishop	Hasskamp	Long	Ozment	Thompson
Blatz	Haukoos	Lourey	Pauly	Tompkins
Bodahl	Hausman	Lynch	Pellow	Trimble
Boo	Heir	Macklin	Pelowski	Tunheim
Brown	Henry	Mariani	Peterson	Uphus
Carlson	Hufnagle	Marsh	Pugh	Valento
Carruthers	Hugoson	McEachern	Reding	Vellenga
Clark	Jacobs	McGuire	Rest	Wagenius
Cooper	Janezich	McPherson	Rice	Waltman
Dauner	Jaros	Milbert	Rodosovich	Weaver
Davids	Jefferson	Morrison	Rukavina	Wejcmann
Dawkins	Jennings	Munger	Runbeck	Welker
Dempsey	Johnson, A.	Murphy	Sarna	Welle
Dille	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dorn	Johnson, V.	Nelson, S.	Scheid	Winter
Erhardt	Kahn	Newinski	Schreiber	Spk. Vanasek
Farrell	Kalis	O'Connor	Seaberg	

A quorum was present.

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

S. F. No. 811 and H. F. No. 371, 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. 811 be substituted for H. F. No. 371 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1064 and H. F. No. 999, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Jennings moved that the rules be so far suspended that S. F. No. 1064 be substituted for H. F. No. 999 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1284 and H. F. No. 1305, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Olson, E., moved that the rules be so far suspended that S. F. No. 1284 be substituted for H. F. No. 1305 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1300 and H. F. No. 1391, 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. 1300

be substituted for H. F. No. 1391 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

May 7, 1991

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

Dear Representative Vanasek:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 471, memorializing the International Special Olympics Committee in support of the 1991 International Special Olympics Games.

H. F. No. 41, relating to retirement; providing certain widow benefits for the Virginia firefighters relief association; providing for disposition of assets of the Virginia firefighters relief association under certain conditions.

H. F. No. 98, relating to civil commitment; establishing requirements for judicial release orders during the emergency hold period.

H. F. No. 894, relating to local government; permitting officers to contract for certain services.

Warmest regards,

ARNE H. CARLSON
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 1991 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 1991</i>	<i>Date Filed 1991</i>
	471	Resolution No. 7	1:40 p.m. May 7	May 7
	41	62	1:44 p.m. May 7	May 7
729		63	2:58 p.m. May 7	May 7
	98	64	1:45 p.m. May 7	May 7
	894	65	1:50 p.m. May 7	May 7

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 1, 1991

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

Dear Mr. Speaker:

I have vetoed Chapter 41, House File No. 472/Senate File No. 407, a bill that proposes further regulation of high pressure pipefitting.

Chapter 41 would bring chlorine plumbing, used largely in wastewater treatment to control the growth of bacteria in sludge, under strict regulation by the Department of Labor and Industry,

and would exclude performance of this kind of work by independent contractors.

In the interest of small business development and the opportunity to open up this kind of work to more people coming out of approved technical training programs, this bill is inappropriate. Further, there is no evidence that chlorine pipefitting warrants any special control. It appears the bill recommends an improper use of state power in that it favors one group over another under the guise of safety.

Finally, it is important to point out that monitoring of safety compliance will not be at all at risk by this bill not becoming law. The Department of Labor and Industry currently regulates the general area of pipefitting and will continue to do so with all due diligence.

Sincerely,

ARNE H. CARLSON
Governor

Long moved that H. F. No. 472, together with the veto message from the Governor, be laid on the table. The motion prevailed.

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 12, 1991

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

Dear Mr. Speaker:

I have vetoed and am returning to you Chapter 127, House File No. 1086/Senate File No. 1009, the DFL Omnibus Tax Bill. It honors none of the principles I laid out to ensure passage of legislation that protects Minnesota taxpayers and the State's economic health.

The attached letter to the taxpayers of Minnesota explains the rationale for this veto.

I am ready to work with the Legislature, both DFL and IR

caucuses, to draft a tax bill which serves the needs of all of the citizens of Minnesota.

Sincerely,

ARNE H. CARLSON
Governor

Long moved that H. F. No. 1086, together with the veto message from the Governor, be laid on the table. The motion prevailed.

SECOND READING OF SENATE BILLS

S. F. Nos. 811, 1064, 1284 and 1300 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 Files, herewith returned:

H. F. No. 378, A bill for an act relating to state lands; authorizing exchange of real property.

H. F. No. 1592, A bill for an act relating to health; requiring home care providers to advise persons receiving home care services of certain rights; amending Minnesota Statutes 1990, section 144A.44, subdivision 1.

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. 722, A bill for an act relating to the military; clarifying language about certain money appropriated for land acquisition; amending Minnesota Statutes 1990, section 190.25, subdivision 3.

H. F. No. 882, A bill for an act relating to traffic regulations; increasing criminal and civil penalties for littering; amending

Minnesota Statutes 1990, sections 169.42, subdivision 5; and 169.421, subdivision 4.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 825, A bill for an act relating to traffic regulations; amending the implied consent law advisory; simplifying the contents of a petition for judicial review under the implied consent law; amending Minnesota Statutes 1990, section 169.123, subdivisions 2 and 5c.

H. F. No. 1066, A bill for an act relating to health; modifying the definition of and requirements related to review organizations; amending Minnesota Statutes 1990, sections 145.61, subdivisions 4a, 5, and by adding a subdivision; 145.63, subdivision 1; and 145.64.

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. 910, A bill for an act relating to energy; requiring low-income housing to be built according to energy efficiency standards; amending Minnesota Statutes 1990, section 16B.61, by adding a subdivision.

H. F. No. 932, A bill for an act relating to corrections; extending female offender programs to include juveniles adjudicated delinquent; encouraging counties and agencies to develop and implement female offender programs; amending Minnesota Statutes 1990, sections 241.70; 241.71; 241.72; and 241.73.

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. 1086, A bill for an act relating to the financing and operation of government in Minnesota; establishing a homestead credit trust fund; allowing the imposition of certain local taxes and fees; modifying the administration, computation, collection, and

enforcement of taxes and assessments; imposing taxes; changing tax classes, rates, bases, credits, exemptions, withholding, and payments; modifying levy limits and aids to local governments; updating references to the Internal Revenue Code; modifying tax increment financing laws; changing definitions; changing certain bonding provisions; providing for suspension of mandate requirements; providing for certain fund transfers; changing provisions for light rail transit; changing certain eminent domain powers; making technical corrections and clarifications; enacting provisions relating to certain cities, counties, watershed districts, and independent school districts; requiring studies; imposing a fee; imposing a surtax; changing certain provisions relating to certain ambulance and emergency services personnel plans; prescribing penalties; appropriating money; amending Minnesota Statutes 1990, sections 13.51, subdivision 2; 14.03, subdivision 3; 18.022, subdivision 2; 43A.316, subdivision 9; 60A.19, subdivision 8; 69.011, subdivisions 1 and 3; 69.021, subdivisions 4, 6, 7, 8, and 9; 69.54; 84.82, by adding a subdivision; 115B.24, subdivision 2; 116.07, subdivision 4h; 124A.03, subdivision 2, and by adding a subdivision; 138.17, subdivision 1a; 171.06, by adding a subdivision; 268.161, subdivision 1; 270.067, subdivisions 1 and 2; 270.11, subdivision 6; 270.12, subdivision 2, and by adding a subdivision; 270.274, subdivision 1; 270.60; 270.66, subdivision 3; 270.68, subdivision 1; 270.69, subdivisions 2, 8, 9, and by adding a subdivision; 270.70, subdivision 10; 270.75, subdivision 4; 270A.03, subdivision 7; 270B.09; 272.02, subdivision 4; 272.025, subdivision 1; 272.31; 272.479; 272.482; 272.483; 272.485; 272.486; 272.67, subdivision 6; 273.11, subdivision 1, and by adding subdivisions; 273.111, subdivision 6; 273.112, subdivisions 1, 2, 3, and 4; 273.12; 273.124, subdivisions 1, 7, 13, and 14; 273.13, subdivisions 22, 23, 24, 25, 31, 32, and by adding a subdivision; 273.1398, subdivisions 6 and 7; 273.1399, subdivisions 1 and 3; 275.065, subdivisions 1a, 3, 5a, and 6; 275.08, subdivision 1b; 275.125, by adding a subdivision; 275.50, subdivisions 5, 5a, and 5b; 275.51, subdivisions 3f, 3h, and 3j; 275.54, subdivision 3; 276.04, subdivision 2; 276.041; 277.01; 278.01; 279.01, subdivisions 1 and 2; 279.03, subdivision 1a; 279.06; 281.17; 282.01, subdivision 1; 287.22; 289A.01; 289A.02, by adding a subdivision; 289A.08, by adding a subdivision; 289A.11, subdivision 1; 289A.12, by adding a subdivision; 289A.18, subdivisions 1, 2, and 4; 289A.19, subdivisions 1 and 2; 289A.20, subdivisions 1, 2, 4, and by adding a subdivision; 289A.25, subdivision 10; 289A.26, subdivisions 1, 6, and by adding a subdivision; 289A.30, subdivision 1; 289A.31, subdivision 1; 289A.35; 289A.37, subdivision 1; 289A.38, subdivisions 9, 10, and 12; 289A.42, subdivisions 1 and 2; 289A.50, subdivision 1; 289A.56, subdivision 2; 289A.60, subdivisions 2, 4, 12, 15, and by adding a subdivision; 290.01, subdivisions 19, 19a, 19b, and 19d; 290.014, subdivisions 2, 3, 4, and 5; 290.05, subdivision 3; 290.06, subdivisions 2c, 2d, 21, 22, 23, and by adding subdivisions; 290.067, subdivisions 1 and 2a; 290.068, subdivisions 1, 2, and 5; 290.0802, subdivisions 1 and 2; 290.091, subdivisions 1 and 2; 290.0921, subdivision 8; 290.0922, subdivision 1, and by adding a subdivision; 290.17, subdivisions 1, 2, and 5; 290.191, subdivisions 6, 8, and 11;

290.35, subdivision 3; 290.431; 290.611, subdivision 1; 290.92, subdivisions 1, 4b, 4c, 12, 26, 27, and by adding a subdivision; 290.923, by adding a subdivision; 290.9727, subdivisions 1, 3, and by adding subdivisions; 290A.03, subdivisions 3 and 7; 290A.04, by adding a subdivision; 290A.05; 290A.091; 295.01, subdivision 10; 295.34, subdivision 1; 296.026, subdivisions 2, 7, and by adding a subdivision; 296.14, subdivision 1; 297.01, subdivision 7; 297.03, subdivisions 1, 2, 4, and 6; 297.07, subdivision 5; 297.08, subdivision 1; 297.11, subdivision 1, and by adding subdivisions; 297.35, subdivision 1; 297.43, by adding a subdivision; 297A.01, subdivisions 3, 8, 10, 15, and by adding a subdivision; 297A.02, subdivisions 1, 2, 3, and by adding subdivisions; 297A.14, by adding a subdivision; 297A.15, by adding a subdivision; 297A.21, subdivisions 1 and 4; 297A.211, subdivision 2; 297A.24; 297A.25, subdivisions 1, 10, 11, 12, and by adding a subdivision; 297A.255, subdivision 5; 297A.257, subdivisions 2 and 2a; 297A.259; 297A.44, subdivision 1, and by adding a subdivision; 297B.02, by adding a subdivision; 297B.09, by adding a subdivision; 297C.03, subdivisions 1 and 6; 297C.04; 297C.10, by adding a subdivision; 297D.01, subdivision 3; 297D.02; 297D.04; 297D.05; 297D.07; 297D.09, subdivisions 1 and 1a; 297D.11; 297D.12, subdivision 1; 297D.13, subdivisions 1 and 3; 297D.14; 298.01, subdivisions 3, 4, and by adding subdivisions; 298.015, subdivision 1; 298.16; 298.21; 298.27; 325D.32, subdivision 10, and by adding a subdivision; 325D.415; 336.9-411; 349.212, subdivision 4; 353D.01; 353D.02; 353D.03; 353D.05; 353D.06; 357.18, subdivision 2; 375.192, subdivision 2; 386.46; 398A.04, subdivision 8; 414.031, subdivision 6; 414.0325, subdivision 4; 414.033, subdivision 7; 414.06, subdivision 4; 414.061, subdivision 3; 430.102, subdivisions 3 and 4; 462C.03, subdivision 10; 469.012, subdivision 8; 469.176, subdivision 1; 469.1763, subdivisions 1, 2, 3, 4, and by adding a subdivision; 469.177, subdivisions 1 and 8; 469.1771, subdivisions 2 and 4; 469.179, by adding a subdivision; 469.190, subdivision 7; 473.3994, by adding a subdivision; 473.843, subdivision 3; 473F.01; 473F.02, subdivisions 3, 8, 12, and 13; 473F.05; 473F.06; 473F.07; 473F.08, subdivisions 2, 5, and 6; 473F.09; 473F.13, subdivision 1; 477A.011, subdivisions 27, as amended, and 28, as amended; 477A.012, subdivision 6, as added, and by adding a subdivision; 477A.013, subdivision 8, as added; 477A.0135, as added; 477A.014, subdivisions 1, as amended, 4, and by adding subdivisions; 477A.015; 477A.03, subdivision 1; 508.25; 508A.25; 515A.1-105, subdivision 1; Laws 1974, chapter 285, section 4, as amended; Laws 1980, chapter 511, section 1, subdivision 2; Laws 1986, chapter 462, section 31; Laws 1987, chapter 268, article 11, section 12; Laws 1989, First Special Session chapter 1, article 14, section 16; Laws 1990, chapter 604, article 2, section 22; article 3, section 46, subdivision 1; and article 6, section 11; proposing coding for new law in Minnesota Statutes, chapters 16A; 117; 268; 270; 272; 273; 275; 276; 277; 290; 295; 296; 297; 297A; 325D; 353D; 373; 451; and 471; repealing Minnesota Statutes 1990, sections 272.487; 272.50; 272.51; 272.52; 272.53; 273.137; 273.1398; 277.02; 277.05; 277.06; 277.07; 277.08; 277.09; 277.10; 277.11; 277.12; 277.13; 289A.19, subdivision 6; 290.068, subdivision 6; 290.069, subdivi-

sions 2a, 4a, and 4b; 290.17, subdivision 7; 290.191, subdivision 7; 290.48, subdivisions 5 and 8; 296.028; 297A.257, subdivisions 1, 2b, and 3; 297A.39, subdivision 9; 298.05; 298.06; 298.07; 298.08; 298.09; 298.10; 298.11; 298.12; 298.13; 298.14; 298.15; 298.19; 298.20; 473F.02, subdivisions 9, 11, 16, 17, 18, 19, and 20; 473F.12; 473F.13, subdivisions 2 and 3; 477A.011; 477A.012; 477A.013; 477A.014; 477A.015; 477A.016; 477A.017; and 477A.03; Laws 1986, chapter 399, article 1, section 5; and Laws 1989, chapter 277, article 4, section 2.

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. 478, A bill for an act relating to elections; changing requirement of absentee ballot applications for deer hunters; facilitating voting by certain students; defining certain terms; providing for use of certain facilities for elections; clarifying uses to be made of lists of registered voters; requiring commissioner of health to report deaths to secretary of state; authorizing facsimile applications for absentee ballots; authorizing certain experimental procedures for absentee ballots and mail balloting; requiring notarized affidavits of candidacy; providing for voting methods in combined local elections; providing order of counting gray box ballots; changing time for issuance of certificates of election; clarifying effect of changing the year of municipal elections; changing certain deadlines; authorizing an experimental school board election; changing procedures for hospital district elections; amending Minnesota Statutes 1990, sections 97A.485, subdivision 1a; 200.02, by adding a subdivision; 201.061, subdivision 3; 201.091, subdivisions 1 and 4; 201.13, subdivision 1; 203B.02, by adding a subdivision; 203B.04, subdivision 1; 204B.09, subdivision 1; 204B.16, subdivision 6, and by adding a subdivision; 204B.32; 204B.35, by adding a subdivision; 204B.45, by adding a subdivision; 204C.19, subdivision 2; 204C.40, subdivision 2; 205.07, subdivision 1, and by adding a subdivision; 205.16, subdivision 4; 205A.04; 205A.07, subdivision 3; and 447.32, subdivisions 2, 3, and 4; proposing coding for new law in Minnesota Statutes, chapters 135A and 201.

The Senate has appointed as such committee:

Messrs. Hughes; Luther; Pogemiller; Johnson, D. E., and Ms. Piper.

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. 1042, A bill for an act relating to economic development; changing the organization of the department of trade and economic development; amending Minnesota Statutes 1990, section 116J.01, subdivision 3.

The Senate has appointed as such committee:

Messrs. Frederickson, D. R.; Beckman and Metzen.

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. 1371, A bill for an act relating to agriculture; extending the right of first refusal on foreclosed farm land to ten years; amending Minnesota Statutes 1990, section 500.24, subdivision 6.

The Senate has appointed as such committee:

Messrs. Berg, Vickerman and Bernhagen.

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. 1631, 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 1990, sections 2.722, subdivision 1, and by adding a subdivision; 3.885, subdivisions 3 and 6; 8.06; 14.07, subdivisions 1 and 2; 14.08; 14.26; 15.191, subdivision 1; 15.50, subdivision 3; 15A.081, subdivision 1; 16A.27, subdivision 5; 16A.45, subdivision 1; 16A.641, subdivision 3; 16A.662, subdivision 4; 16A.672, subdivision 9; 16A.69, by adding a subdivision; 16A.721, subdivision 1; 16B.24, subdivisions 5 and 6; 16B.36, subdivision 1; 16B.41, subdivision 2, and by adding a subdivision; 16B.465, subdivision 4; 16B.48, subdivision 2; 17.49, subdivision 1; 62D.122; 62J.02, subdivisions 2 and 3; 69.031, subdivision 5; 69.77, subdivision 2b; 79.34, subdivision 1; 103B.311, subdivision 7; 103B.315, subdivision 5; 103E.761, subdivision 1; 103H.101, subdivision 4; 103H.175, subdivisions 1 and 2; 115A.072, subdivision 1; 116C.03, subdivisions 2, 4, and 5; 116C.712, subdivisions 3 and 5; 116J.8765, by adding a subdivision; 116L.03, subdivisions 1 and 2; 124C.03, subdivisions 2, 3, 8, 9, 10, 12, 14, 15, and 16; 126A.02, subdivisions 1 and 2; 126A.03; 128C.12, subdivision 1; 138.17, subdivision 1; 144.70, subdivision 2; 144A.071, subdivision 5; 145.926, subdivisions 1, 4, 5, 7, and 8; 145A.02, subdivision 16; 145A.09, subdivision 6; 160.276, by adding a subdivision; 214.141; 256H.25, subdivision 1; 268.361, subdivision 3; 271.06, subdivision 4; 271.19; 275.14; 275.51, subdivision 6; 275.54, subdivision 3; 299A.30, subdivision 2; 299A.31, subdivision 1; 299A.40, subdivision 4; 356.215, subdivisions 4d and 4g; 356.216; 357.24; 363.121; 368.01, subdivision 1a; 373.40, subdivision 1; 402.045; 422A.05, by adding subdivisions; 422A.101; 422A.17; 422A.23, subdivision 2; 423A.01, subdivision 2; 462.384, subdivision 7; 462.396, subdivision 2; 466A.05, subdivision 1; 469.203, subdivision 4; 469.207, subdivisions 1 and 2; 473.156, subdivision 1; 474A.03, by adding a subdivision; 477A.011, subdivisions 3 and 3a; 477A.014, subdivision 4; 480.181, by adding a subdivision; 480.24, subdivision 3; 480.242, subdivision 2 and by adding a subdivision; 481.10; 490.124, subdivision 4; 504.34, subdivisions 5 and 6; 590.05; 593.48; 609.101, subdivision 1; 611.14; 611.17; 611.18; 611.20; 611.25, subdivision 1; 611.26, subdivision 6, and by adding subdivisions; 611.27, subdivisions 1 and 4; 626.861, by adding a subdivision; 643.29, subdivision 1; Laws 1989, chapter 319, article 19, sections 6; and 7, subdivision 1, and subdivision 4, as amended; chapter 335, article 1, section 7; article 3, section 44, as amended; and Laws 1990, chapter 610, article 1, section 27; proposing coding for new law in Minnesota Statutes, chapters 4; 7; 16A; 16B; 43A; 116J; 270; 356; and 471; repealing Minnesota Statutes 1990, sections 3C.035, subdivision 2; 3C.056; 8.15; 14.32, subdivi-

sion 2; 40A.02, subdivision 2; 40A.08; 116K.01; 116K.02; 116K.03; 116K.04; 116K.05; 116K.06; 116K.07; 116K.08; 116K.09; 116K.10; 116K.11; 116K.12; 116K.13; 116K.14; 144.861; 144.874, subdivision 7; 480.250; 480.252; 480.254; 480.256; 611.215, subdivision 4; 611.261; 611.28; 611.29; Laws 1989, chapter 335, article 3, section 54, as amended; and Laws 1990, chapter 604, article 9, section 14.

The Senate has appointed as such committee:

Messrs. Kroening, Luther, McGowan, Merriam and Cohen.

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. 1201, A bill for an act relating to local government; permitting police and fire civil service commissions to expand certified lists in certain circumstances; amending Minnesota Statutes 1990, sections 419.06; and 420.07.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Bishop moved that the House concur in the Senate amendments to H. F. No. 1201 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1201, A bill for an act relating to local government; permitting police and fire civil service commissions to expand certified lists in certain circumstances; amending Minnesota Statutes 1990, sections 419.06; and 420.07.

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

The question was taken on the repassage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Anderson, R. H.	Beard	Bettermann	Bodahl
Anderson, I.	Battaglia	Begich	Bishop	Boo
Anderson, R.	Bauerly	Bertram	Blatz	Brown

Carlson	Hausman	Limmer	Orenstein	Smith
Carruthers	Heir	Long	Orfield	Solberg
Clark	Henry	Lourey	Osthoff	Sparby
Cooper	Hufnagle	Lynch	Ostrom	Stanius
Dauner	Hugoson	Macklin	Ozment	Steensma
Dauids	Jacobs	Mariani	Pauly	Sviggum
Dawkins	Janezich	Marsh	Pellow	Swenson
Dempsey	Jaros	McEachern	Pelowski	Thompson
Dille	Jefferson	McGuire	Peterson	Tompkins
Dorn	Jennings	McPherson	Pugh	Trimble
Erhardt	Johnson, A.	Milbert	Reding	Tunheim
Farrell	Johnson, R.	Morrison	Rest	Uphus
Frederick	Johnson, V.	Munger	Rice	Valento
Frerichs	Kahn	Murphy	Rodosovich	Vellenga
Garcia	Kalis	Nelson, K.	Rukavina	Wagenius
Girard	Kelso	Nelson, S.	Runbeck	Waltman
Goodno	Kinkel	Newinski	Sarna	Weaver
Greenfield	Knickerbocker	O'Connor	Schafer	Wejcman
Gruenes	Koppendrayner	Ogren	Scheid	Welker
Gutknecht	Krinkie	Olsen, S.	Schreiber	Welle
Hanson	Krueger	Olson, E.	Seaberg	Wenzel
Hartle	Lasley	Olson, K.	Segal	Winter
Hasskamp	Leppik	Omann	Simoneau	Spk. Vanasek
Haukoos	Lieder	Onnen	Skoglund	

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

The Speaker called Krueger to the Chair.

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. 414, A bill for an act relating to peace officers; requiring reports on the discharge of firearms by peace officers to be sent to the board of peace officer standards and training; requiring law enforcement agencies to adopt written policies governing the use of deadly force; requiring initial and continuing peace officer training on deadly force and the use of firearms; amending Minnesota Statutes 1990, section 626.553, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 626.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Bishop moved that the House concur in the Senate amendments to H. F. No. 414 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 414, A bill for an act relating to peace officers; requiring reports on the discharge of firearms by peace officers to be sent to the

board of peace officer standards and training; requiring law enforcement agencies to adopt written policies governing the use of deadly force; requiring initial and continuing peace officer training on deadly force and the use of firearms; amending Minnesota Statutes 1990, section 626.553, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 626.

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

The question was taken on the repassage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Ogren	Segal
Anderson, I.	Frerichs	Kinkel	Olsen, S.	Simoneau
Anderson, R.	Garcia	Knickerbocker	Olson, E.	Skoglund
Anderson, R. H.	Girard	Koppendrayner	Olson, K.	Smith
Battaglia	Goodno	Krinkie	Omann	Solberg
Bauerly	Greenfield	Krueger	Onnen	Sparby
Beard	Gruenes	Lasley	Orenstein	Stanius
Begich	Gutknecht	Leppik	Orfield	Steensma
Bertram	Hanson	Lieder	Osthoff	Sviggum
Bettermann	Hartle	Limmer	Ostrom	Swenson
Bishop	Hasskamp	Long	Ozment	Thompson
Blatz	Haukoos	Lourey	Pauly	Tompkins
Bodahl	Hausman	Lynch	Pellow	Trimble
Boo	Heir	Macklin	Pelowski	Tunheim
Brown	Henry	Mariani	Peterson	Uphus
Carlson	Hufnagle	Marsh	Pugh	Valento
Carruthers	Hugoson	McEachern	Reding	Vellenga
Clark	Jacobs	McGuire	Rest	Wagenius
Cooper	Janezich	McPherson	Rice	Waltman
Dauner	Jaros	Milbert	Rodosovich	Weaver
Dauids	Jefferson	Morrison	Rukavina	Wejzman
Dawkins	Jennings	Munger	Runbeck	Welker
Dempsey	Johnson, A.	Murphy	Sarna	Welle
Dille	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dorn	Johnson, V.	Nelson, S.	Scheid	Winter
Erhardt	Kahn	Newinski	Schreiber	Spk. Vanasek
Farrell	Kalis	O'Connor	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. 808, A bill for an act relating to child care; permitting variances from certain staffing requirements for parent cooperative

programs; amending Minnesota Statutes 1990, sections 245A.02, by adding a subdivision; and 245A.14, subdivision 6.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Orenstein moved that the House concur in the Senate amendments to H. F. No. 808 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 808, A bill for an act relating to child care; permitting variances from certain staffing requirements for parent cooperative programs; authorizing biennial licensing reviews for family day care; amending Minnesota Statutes 1990, sections 245A.02, by adding a subdivision; 245A.14, subdivision 6; and 245A.16, 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 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Ogren	Segal
Anderson, I.	Frerichs	Kinkel	Olsen, S.	Simoneau
Anderson, R.	Garcia	Knickerbocker	Olson, E.	Skoglund
Anderson, R. H.	Girard	Koppendrayner	Olson, K.	Smith
Battaglia	Goodno	Krinkie	Omann	Solberg
Bauerly	Greenfield	Krueger	Onnen	Sparby
Beard	Gruenes	Lasley	Orenstein	Stanisus
Begich	Gutknecht	Leppik	Orfield	Steensma
Bertram	Hanson	Lieder	Osthoff	Sviggum
Bettermann	Hartle	Limmer	Ostrom	Swenson
Bishop	Hasskamp	Long	Ozment	Thompson
Blatz	Haukoos	Lourey	Pauly	Tompkins
Bodahl	Hausman	Lynch	Pellow	Trimble
Boc	Heir	Macklin	Pelowski	Tunheim
Brown	Henry	Mariani	Peterson	Uphus
Carlson	Hufnagle	Marsh	Pugh	Valento
Carruthers	Hugoson	McEachern	Reding	Vellenga
Clark	Jacobs	McGuire	Rest	Wagenius
Cooper	Janezich	McPherson	Rice	Waltman
Dauner	Jaros	Milbert	Rodosovich	Weaver
Dauids	Jefferson	Morrison	Rukavina	Wejzman
Dawkins	Jennings	Munger	Runbeck	Welker
Dempsey	Johnson, A.	Murphy	Sarna	Welle
Dille	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dorn	Johnson, V.	Nelson, S.	Scheid	Winter
Erhardt	Kahn	Newinski	Schreiber	Spk. Vanasek
Farrell	Kalis	O'Connor	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. 654, A bill for an act relating to human services; requiring training of child care providers to include training in cultural sensitivity; amending Minnesota Statutes 1990, section 245A.14, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Jefferson moved that the House concur in the Senate amendments to H. F. No. 654 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 654, A bill for an act relating to human services; requiring training of child care providers to include training in cultural dynamics; amending Minnesota Statutes 1990, section 245A.14, 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 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dille	Jaros	Marsh	Pauly
Anderson, I.	Dorn	Jefferson	McEachern	Pellow
Anderson, R.	Erhardt	Jennings	McGuire	Pelowski
Anderson, R. H.	Farrell	Johnson, A.	McPherson	Peterson
Battaglia	Frederick	Johnson, R.	Milbert	Pugh
Bauerly	Frerichs	Johnson, V.	Morrison	Reding
Beard	Garcia	Kahn	Munger	Rest
Begich	Girard	Kalis	Murphy	Rice
Bertram	Goodno	Kelso	Nelson, K.	Rodosovich
Bettermann	Greenfield	Kinkel	Nelson, S.	Rukavina
Bishop	Gruenes	Knickerbocker	Newinski	Runbeck
Blatz	Gutknecht	Koppendraye	O'Connor	Sarna
Bodahl	Hanson	Krinkie	Ogren	Schafer
Boo	Hartle	Krueger	Olsen, S.	Scheid
Brown	Hasskamp	Lasley	Olson, E.	Schreiber
Carlson	Haukoos	Leppik	Olson, K.	Seaberg
Carruthers	Hausman	Lieder	Omman	Segal
Clark	Heir	Limmer	Onnen	Simoneau
Cooper	Henry	Long	Orenstein	Skoglund
Dauner	Hufnagle	Lourey	Orfield	Smith
David's	Hugoson	Lynch	Osthoff	Solberg
Dawkins	Jacobs	Macklin	Ostrom	Sparby
Dempsey	Janezich	Mariani	Ozment	Stanius

Steensma	Tompkins	Valento	Weaver	Wenzel
Sviggum	Trimble	Vellenga	Wejcmán	Winter
Swenson	Tunheim	Wagenius	Welker	Spk. Vanasek
Thompson	Uphus	Waltman	Welle	

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

Mr. Speaker:

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

H. F. No. 726, A bill for an act relating to real property; providing for cause of action on an interest in real property of a married person when the property was conveyed by the person's spouse before March 1, 1977; amending Minnesota Statutes 1990, section 519.101.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Swenson moved that the House concur in the Senate amendments to H. F. No. 726 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 726, A bill for an act relating to real property; providing for the statute of limitations for a cause of action on an interest in real property of a married person when the property was conveyed by the person's spouse; clarifying provisions for recording a satisfaction or release of a mortgage; amending Minnesota Statutes 1990, section 519.101; and Laws 1991, chapter 4, section 1; repealing Minnesota Statutes 1990, section 519.09.

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

The question was taken on the repassage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Bishop	Dauids	Girard	Heir
Anderson, I.	Blatz	Dawkins	Goodno	Henry
Anderson, R.	Bodahl	Dempsey	Greenfield	Hufnagle
Anderson, R. H.	Boo	Dille	Gruenes	Hugoson
Battaglia	Brown	Dorn	Gutknecht	Jacobs
Bauerly	Carlson	Erhardt	Hanson	Janezich
Beard	Carruthers	Farrell	Hartle	Jaros
Begich	Clark	Frederick	Hasskamp	Jefferson
Bertram	Cooper	Frerichs	Haukoos	Jennings
Bettermann	Dauner	Garcia	Hausman	Johnson, A.

Johnson, R.	Macklin	Olson, K.	Rukavina	Thompson
Johnson, V.	Mariani	Omann	Runbeck	Tompkins
Kahn	Marsh	Onnen	Sarna	Trimble
Kalis	McEachern	Orenstein	Schafer	Tunheim
Kelso	McGuire	Orfield	Scheid	Uphus
Kinkel	McPherson	Osthoff	Schreiber	Valento
Knickerbocker	Milbert	Ostrom	Seaberg	Vellenga
Koppendraye	Morrison	Ozment	Segal	Wagenius
Krinkie	Munger	Pauly	Simoneau	Waltman
Krueger	Murphy	Pellow	Skoglund	Weaver
Lasley	Nelson, K.	Pelowski	Smith	Wejzman
Leppik	Nelson, S.	Peterson	Solberg	Welker
Lieder	Newinski	Pugh	Sparby	Welle
Limmer	O'Connor	Reding	Stanius	Wenzel
Long	Ogren	Rest	Steenstra	Winter
Lourey	Olsen, S.	Rice	Sviggum	Spk. Vanasek
Lynch	Olson, E.	Rodosovich	Swenson	

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. 1405, A bill for an act relating to charitable organizations; changing distribution requirements for charitable organizations; amending Minnesota Statutes 1990, section 309.501, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Jefferson moved that the House concur in the Senate amendments to H. F. No. 1405 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1405, A bill for an act relating to charitable organizations; changing distribution requirements for charitable organizations; amending Minnesota Statutes 1990, section 309.501, 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 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Ogren	Segal
Anderson, I.	Frerichs	Kinkel	Olsen, S.	Simoneau
Anderson, R.	Garcia	Knickerbocker	Olson, E.	Skoglund
Anderson, R. H.	Girard	Koppendrayer	Olson, K.	Smith
Battaglia	Goodno	Krinkie	Omann	Solberg
Bauerly	Greenfield	Krueger	Onnen	Sparby
Beard	Gruenes	Lasley	Orenstein	Stanius
Begich	Gutknecht	Leppik	Orfield	Steenasma
Bertram	Hanson	Lieder	Osthoff	Svigum
Bettermann	Hartle	Limmer	Ostrom	Swenson
Bishop	Hasskamp	Long	Ozment	Thompson
Blatz	Haukoos	Lourey	Pauly	Tompkins
Bodahl	Hausman	Lynch	Pellow	Trimble
Boo	Heir	Macklin	Pelowski	Tunheim
Brown	Henry	Mariani	Peterson	Uphus
Carlson	Hufnagle	Marsh	Pugh	Valento
Carruthers	Hugoson	McEachern	Reding	Vellenga
Clark	Jacobs	McGuire	Rest	Wagenius
Cooper	Janezich	McPherson	Rice	Waltman
Dauner	Jaros	Milbert	Rodosovich	Weaver
Dauids	Jefferson	Morrison	Rukavina	Wejcman
Dawkins	Jennings	Munger	Runbeck	Welker
Dempsey	Johnson, A.	Murphy	Sarna	Welle
Dille	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dorn	Johnson, V.	Nelson, S.	Scheid	Winter
Erhardt	Kahn	Newinski	Schreiber	Spk. Vanasek
Farrell	Kalis	O'Connor	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. 200, A bill for an act relating to courts; allowing counties with chambered judges to retain the judicial position; recognizing adequate access to the courts as a factor in determining whether a judicial position should remain or be abolished or transferred; amending Minnesota Statutes 1990, section 2.722, subdivision 4.

PATRICK E. FLAHAVERN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Peterson moved that the House concur in the Senate amendments to H. F. No. 200 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 200, A bill for an act relating to courts; recognizing adequate access to the courts as a factor in determining whether a judicial position should remain or be abolished or transferred; amending Minnesota Statutes 1990, section 2.722, 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 127 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Frerichs	Kelso	Ogren	Skoglund
Anderson, R.	Garcia	Kinkel	Olsen, S.	Smith
Anderson, R. H.	Girard	Knickerbocker	Olson, E.	Solberg
Battaglia	Goodno	Koppendrayner	Olson, K.	Sparby
Bauerly	Greenfield	Krinkie	Omann	Stanius
Beard	Gruenes	Krueger	Onnen	Steenma
Begich	Gutknecht	Lasley	Orenstein	Sviggum
Bertram	Hanson	Leppik	Orfield	Thompson
Bettermann	Hartle	Lieder	Ostrom	Tompkins
Bishop	Hasskamp	Long	Ozment	Trimble
Blatz	Haukoos	Lourey	Pellow	Tunheim
Bodahl	Hausman	Lynch	Pelowski	Uphus
Brown	Heir	Macklin	Peterson	Valento
Carlson	Henry	Mariani	Pugh	Vellenga
Carruthers	Hufnagle	Marsh	Reding	Wagenius
Clark	Hugoson	McEachern	Rest	Waltman
Cooper	Jacobs	McGuire	Rice	Weaver
Dauner	Janezich	McPherson	Rodosovich	Wejman
Davids	Jaros	Milbert	Rukavina	Welker
Dawkins	Jefferson	Morrison	Sarna	Welle
Dempsey	Jennings	Munger	Schafer	Wenzel
Dille	Johnson, A.	Murphy	Scheid	Winter
Dorn	Johnson, R.	Nelson, K.	Schreiber	Spk. Vanasek
Erhardt	Johnson, V.	Nelson, S.	Seaberg	
Farrell	Kahn	Newinski	Segal	
Frederick	Kalis	O'Connor	Simoneau	

Those who voted in the negative were:

Abrams	Limmer	Osthoff	Runbeck	Swenson
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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. 282, A bill for an act relating to public utilities; exempting from prior rate regulation gas utilities that have 650 or fewer customers in any one municipality and a total of 2,000 or fewer customers; amending Minnesota Statutes 1990, section 216B.16, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Cooper moved that the House concur in the Senate amendments to H. F. No. 282 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 282, A bill for an act relating to public utilities; exempting from prior rate regulation gas utilities that have 650 or fewer customers in any one municipality and a total of 2,000 or fewer customers; amending Minnesota Statutes 1990, section 216B.16, by adding a subdivision.

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

The question was taken on the repassage of the bill and the roll was called. There were 128 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kinkel	Olsen, S.	Skoglund
Anderson, I.	Frerichs	Knickerbocker	Olson, E.	Smith
Anderson, R.	Girard	Koppendrayer	Olson, K.	Solberg
Anderson, R. H.	Goodno	Krinkie	Omann	Sparby
Battaglia	Greenfield	Krueger	Onnen	Stanius
Bauerly	Gruenes	Lasley	Orenstein	Steenasma
Beard	Gutknecht	Leppik	Orfield	Sviggum
Begich	Hanson	Lieder	Ostrom	Swenson
Bertram	Hartle	Limmer	Ozment	Thompson
Bettermann	Hasskamp	Long	Pauly	Tompkins
Blatz	Haukoos	Lourey	Pellow	Trimble
Bodahl	Hausman	Lynch	Pelowski	Tunheim
Boo	Heir	Macklin	Peterson	Uphus
Brown	Henry	Marsh	Pugh	Valento
Carlson	Hufnagle	McEachern	Rest	Vellenga
Carruthers	Hugoson	McGuire	Rice	Wagenius
Clark	Jacobs	McPherson	Rodosovich	Waltman
Cooper	Janezich	Milbert	Rukavina	Weaver
Dauner	Jaros	Morrison	Runbeck	Wejcman
Davids	Jennings	Munger	Sarna	Welker
Dawkins	Johnson, A.	Murphy	Schafer	Welle
Dempsey	Johnson, R.	Nelson, K.	Scheid	Wenzel
Dille	Johnson, V.	Nelson, S.	Schreiber	Winter
Dorn	Kahn	Newinski	Seaberg	Spk. Vanasek
Erhardt	Kalis	O'Connor	Segal	
Farrell	Kelso	Ogren	Simoneau	

Those who voted in the negative were:

Osthoff

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

Mr. Speaker:

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

S. F. No. 187.

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. 187

A bill for an act relating to mental health; authorizing competent persons to make advance declarations regarding *mental health* treatment; requiring certain notices to be given to the designated agency; amending Minnesota Statutes 1990, sections 253B.03; 253B.18, subdivisions 4b and 5; and 253B.19, subdivision 2.

May 7, 1991

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. 187, 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. 187 be further amended as follows:

Page 1, after line 8, insert:

“Section 1. Minnesota Statutes 1990, section 145B.01, is amended to read:

145B.01 [CITATION.]

This chapter may be cited as the “~~adult health care decisions act~~ Minnesota living will act.” ”

Page 6, line 20, delete “and is notarized”

Page 6, line 22, delete everything after “the”

Page 6, line 23, delete everything before the period and insert “nature and significance of the declaration”

Page 11, after line 4, insert:

“Sec. 6. [INSTRUCTION TO REVISOR.]

In Minnesota Statutes 1992 and subsequent editions of the statutes, the revisor of statutes shall change the term “declaration” to “living will” wherever that term appears in Minnesota Statutes, chapter 145B.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete “mental”

Page 1, line 5, after the semicolon, insert “changing the citation of the adult health care decisions act and using the term “living will”;

Page 1, line 6, after “sections” insert “145B.01;”

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

Senate Conferees: ALLAN H. SPEAR, LINDA BERGLIN AND WILLIAM V. BELANGER, JR

House Conferees: LEE GREENFIELD, GLORIA M. SEGAL AND DAVE BISHOP.

Greenfield moved that the report of the Conference Committee on S. F. No. 187 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 187, A bill for an act relating to mental health; authorizing competent persons to make advance declarations regarding mental health treatment; requiring certain notices to be given to the designated agency; amending Minnesota Statutes 1990, sections 253B.03; 253B.18, subdivisions 4b and 5; and 253B.19, subdivision 2.

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 2 nays as follows:

Those who voted in the affirmative were:

- | | | | | |
|--------------|-----------------|---------|------------|--------|
| Abrams | Anderson, R. H. | Beard | Bettermann | Bodahl |
| Anderson, I. | Battaglia | Begich | Bishop | Boo |
| Anderson, R. | Bauerly | Bertram | Blatz | Brown |

Carlson	Hausman	Limmer	Ostrom	Stanius
Carruthers	Heir	Long	Ozment	Steensma
Clark	Henry	Lourey	Pauly	Sviggum
Cooper	Hufnagle	Lynch	Pellow	Swenson
Dauner	Hugoson	Macklin	Pelowski	Thompson
Dauids	Jacobs	Mariani	Peterson	Tompkins
Dawkins	Janezich	Marsh	Pugh	Trimble
Dempsey	Jaros	McEachern	Reding	Tunheim
Dille	Jefferson	McGuire	Rest	Uphus
Dorn	Jennings	McPherson	Rice	Valento
Erhardt	Johnson, A.	Milbert	Rodosovich	Vellenga
Farrell	Johnson, R.	Morrison	Rukavina	Wagenius
Frederick	Johnson, V.	Murphy	Runbeck	Waltman
Frerichs	Kahn	Nelson, K.	Sarna	Weaver
Garcia	Kalis	Nelson, S.	Schafer	Wejcmann
Girard	Kelso	O'Connor	Scheid	Welker
Goodno	Kinkel	Ogren	Schreiber	Welle
Greenfield	Knickerbocker	Olsen, S.	Seaberg	Wenzel
Gruenes	Koppendrayner	Olsen, E.	Segal	Winter
Gutknecht	Krinkie	Olson, K.	Simoneau	Spk. Vanasek
Hanson	Krueger	Omann	Skoglund	
Hartle	Lasley	Orenstein	Smith	
Hasskamp	Leppik	Orfield	Solberg	
Haukoos	Lieder	Osthoff	Sparby	

Those who voted in the negative were:

Newinski Onnen

The bill was repassed, as amended by Conference, 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. 687, A bill for an act relating to the environment; requiring recycled CFCs used in refrigerant applications to comply with certain standards; proposing coding for new law in Minnesota Statutes, chapter 239.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Dahl and Stumpf; and Ms. 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

Trimble 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. 687. 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. 880, A bill for an act relating to checks; increasing bank verification requirements for opening checking accounts; prohibiting service charges for dishonored checks on persons other than the issuer; regulating check numbering procedures; requiring the commissioner of commerce to adopt rules regarding verification procedure requirements; modifying procedures and liability for civil restitution for holders of worthless checks; authorizing service charges for use of law enforcement agencies; clarifying criminal penalties; increasing information that banks must provide to holders of worthless checks; imposing penalties; amending Minnesota Statutes 1990, sections 48.512, subdivisions 3, 4, 5, 7, and by adding subdivisions; 332.50, subdivisions 1 and 2; and 609.535, subdivisions 2a and 7.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Spear, Kroening and McGowan.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Sparby moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 880. 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. 1027, A bill for an act relating to natural resources; establishing a Minnesota adopt-a-park program; requiring the department of natural resources to report to the legislature on the program; proposing coding for new law in Minnesota Statutes, chapter 85.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Price, Merriam and Larson.

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

Johnson, R., 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. 1027. The motion prevailed.

Mr. Speaker:

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

S. F. Nos. 255, 282, 502, 858, 535, 735, 928, 1244, 1112, 1127, 783, 856 and 1164.

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. 74, 208, 510, 351, 526, 760, 1179, 431, 764 and 1289.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 255, A bill for an act relating to horse racing; increasing per diem rate for members of the racing commission; requiring that pari-mutuel clerks at county fairs be licensed; specifying apportionment and uses of the Minnesota breeders' fund; specifying person who may supervise administration of certain medications; reducing state tax withholding on pari-mutuel winnings; amending Minnesota Statutes 1990, sections 240.02, subdivision 3; 240.09, subdivision 2; 240.18; 240.24, subdivision 2; and 290.92, subdivision 27.

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

S. F. No. 282, A bill for an act relating to taxation; excise and sales taxes; establishing an alternative method for determining the annual permit fee for vehicles propelled in part by compressed natural gas or propane; amending Minnesota Statutes 1990, section 296.026, subdivisions 1, 2, and by adding subdivisions.

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

S. F. No. 502, A bill for an act relating to court fees; waiving filing fees for a person or person's spouse or children seeking protection under the Soldiers' and Sailors' Civil Relief Act of 1940; amending Minnesota Statutes 1990, section 357.021, subdivision 1a.

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

S. F. No. 858, A bill for an act relating to restitution; requiring offenders who have been court-ordered to pay restitution to provide affidavits of financial disclosure to investigating correctional agencies; amending Minnesota Statutes 1990, section 611A.04, by adding a subdivision.

The bill was read for the first time.

Limmer moved that S. F. No. 858 and H. F. No. 1238, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 535, A bill for an act relating to insurance; accident and health; regulating assignments of benefits; amending Minnesota Statutes 1990, section 72A.201, subdivision 3, and by adding a subdivision.

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

S. F. No. 735, A bill for an act relating to state government; increasing the amount of vacation time that certain state employees can donate to bargaining representatives; amending Minnesota Statutes 1990, section 43A.04, subdivision 8.

The bill was read for the first time.

O'Connor moved that S. F. No. 735 and H. F. No. 667, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 928, A bill for an act relating to agriculture; providing for enforcement of agricultural laws; imposing penalties; proposing coding for new law in Minnesota Statutes, chapter 17.

The bill was read for the first time.

Bertram moved that S. F. No. 928 and H. F. No. 1215, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1244, A bill for an act relating to commerce; real estate brokers; clarifying exceptions to licensing requirements; amending Minnesota Statutes 1990, section 82.18.

The bill was read for the first time.

Scheid moved that S. F. No. 1244 and H. F. No. 1415, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1112, A bill for an act relating to energy; providing incentives for renewable energy sources of utility power; amending Minnesota Statutes 1990, sections 216B.164, subdivision 4; and 272.02, subdivision 1.

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

S. F. No. 1127, A bill for an act relating to human services; establishing an advisory council; requiring a plan to simplify rules and regulations governing services to persons with developmental disabilities and related conditions.

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

S. F. No. 783, A bill for an act relating to health; infectious waste control; transferring responsibility for infectious waste from the pollution control agency to the department of health; clarifying that veterinarians are also covered by the act; clarifying requirements for management and generators' plans; allowing certain medical waste to be mixed with other waste under certain conditions; creating a

medical waste task force; appropriating money; amending Minnesota Statutes 1990, sections 116.76, subdivision 5; 116.77; 116.78, subdivision 4; 116.79, subdivisions 1, 3, and 4; 116.80, subdivisions 2 and 3; 116.81, subdivision 1; 116.82, subdivision 3; and 116.83; repealing Minnesota Statutes 1990, sections 116.76, subdivision 2; and 116.81, subdivision 2.

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

S. F. No. 856, A bill for an act relating to taxation; property; not requiring payment of additional taxes when open space qualification is lost due to acquisition of property by the state of Minnesota or a political subdivision; amending Minnesota Statutes 1990, section 273.112, subdivision 7.

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

S. F. No. 1164, A bill for an act relating to local government; permitting the city of Biwabik and the town of White to establish a joint east range economic development authority.

The bill was read for the first time.

Janezich moved that S. F. No. 1164 and H. F. No. 1457, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 74, A bill for an act relating to natural resources; establishing Glendalough state park; prescribing the powers and duties of the commissioner of natural resources in relation thereto; amending Minnesota Statutes 1990, section 85.012, by adding a subdivision.

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

S. F. No. 208, A bill for an act relating to motor vehicles; providing for seven-year, in transit license plates for motor vehicle dealers; amending Minnesota Statutes 1990, sections 168.12, subdivision 1; 168.27, subdivisions 16 and 17; and 297B.035, subdivision 2.

The bill was read for the first time.

Lasley moved that S. F. No. 208 and H. F. No. 463, now on General

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

S. F. No. 510, A bill for an act relating to agriculture; changing the egg law; imposing a penalty; amending Minnesota Statutes 1990, sections 29.21, by adding subdivisions; 29.23; 29.235; 29.26; and 29.27; proposing coding for new law in Minnesota Statutes, chapter 29.

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

S. F. No. 351, A bill for an act relating to peace officers; guaranteeing peace officers certain rights when a formal statement is taken for disciplinary purposes; proposing coding for new law in Minnesota Statutes, chapter 626.

The bill was read for the first time.

Carruthers moved that S. F. No. 351 and H. F. No. 67, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 526, A bill for an act relating to crime; sentencing; clarifying and revising the intensive community supervision program; amending Minnesota Statutes 1990, sections 244.05, subdivision 6; 244.12; 244.13; 244.14; and 244.15.

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

S. F. No. 760, A bill for an act relating to taxation; providing for distribution of fire state aid to cities; amending Minnesota Statutes 1990, sections 69.011, subdivision 1; and 69.021, subdivisions 4, 6, 7, 8, and 9.

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

S. F. No. 1179, A bill for an act relating to public finance; providing conditions and requirements for the issuance of debt and for the financial obligations of authorities; amending Minnesota Statutes 1990, sections 400.101; 429.061, subdivision 3; 447.49; 469.155, subdivision 12; 473.811, subdivision 2; 475.58, subdivision 2; 475.60, subdivision 2; 475.66, subdivision 3; and 475.67, subdivi-

sion 3; proposing coding for new law in Minnesota Statutes, chapters 462C and 469.

The bill was read for the first time.

Rest moved that S. F. No. 1179 and H. F. No. 1420, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 431, A bill for an act relating to local government; permitting Pennington county and Thief River Falls to construct, finance, and own student housing.

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

S. F. No. 764, A bill for an act relating to public safety; regulating amusement rides; requiring insurance and inspections; providing penalties; proposing coding for new law as Minnesota Statutes, chapter 184B.

The bill was read for the first time.

Osthoff moved that S. F. No. 764 and H. F. No. 748, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1289, A bill for an act relating to state lands; prohibiting sale of state lands administered by the department of natural resources to any employee of the department; proposing coding for new law in Minnesota Statutes, chapter 92.

The bill was read for the first time.

Blatz moved that S. F. No. 1289 and H. F. No. 1417, now on Special 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. 132

A bill for an act relating to energy; improving energy efficiency by

prohibiting incandescent lighting in certain exit signs; requiring amendments to building codes and standards to increase energy efficiency; requiring state agencies to use funds allocated for utility expenditures to buy nonincandescent bulbs; amending Minnesota Statutes 1990, sections 16B.61, subdivision 3; and 299F.011, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 16B.

May 8, 1991

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. 132, 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. 132 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [16B.126] [FUNDS FOR ENERGY EFFICIENT BULBS.]

State agencies in the executive, legislative, and judicial branches that purchase replacement bulbs in accordance with section 16B.61, subdivision 3, paragraph (k), must use money allocated for utility expenditures for the purchase.

Sec. 2. Minnesota Statutes 1990, section 16B.61, subdivision 3, is amended to read:

Subd. 3. [SPECIAL REQUIREMENTS.] (a) [SPACE FOR COMMUTER VANS.] The code must require that any parking ramp or other parking facility constructed in accordance with the code include an appropriate number of spaces suitable for the parking of motor vehicles having a capacity of seven to 16 persons and which are principally used to provide prearranged commuter transportation of employees to or from their place of employment or to or from a transit stop authorized by a local transit authority.

(b) [SMOKE DETECTION DEVICES.] The code must require that all dwellings, lodging houses, apartment houses, and hotels as defined in section 299F.362 comply with the provisions of section 299F.362.

(c) [DOORS IN NURSING HOMES AND HOSPITALS.] The state building code may not require that each door entering a sleeping or patient's room from a corridor in a nursing home or hospital with an approved complete standard automatic fire extinguishing system be constructed or maintained as self-closing or automatically closing.

(d) [CHILD CARE FACILITIES IN CHURCHES.] A licensed day care center serving fewer than 30 preschool age persons and which is located in a below ground space in a church building is exempt from the state building code requirement for a ground level exit when the center has more than two stairways to the ground level and its exit.

(e) [FAMILY AND GROUP FAMILY DAY CARE.] The commissioner of administration shall establish a task force to determine occupancy standards specific and appropriate to family and group family day care homes and to examine hindrances to establishing day care facilities in rural Minnesota. The task force must include representatives from rural and urban building code inspectors, rural and urban fire code inspectors, rural and urban county day care licensing units, rural and urban family and group family day care providers and consumers, child care advocacy groups, and the departments of administration, human services, and public safety.

By January 1, 1989, the commissioner of administration shall report the task force findings and recommendations to the appropriate legislative committees together with proposals for legislative action on the recommendations.

Until the legislature enacts legislation specifying appropriate standards, the definition of Group R-3 occupancies in the state building code applies to family and group family day care homes licensed by the department of human services under Minnesota Rules, chapter 9502.

(f) [MINED UNDERGROUND SPACE.] Nothing in the state building codes shall prevent cities from adopting rules governing the excavation, construction, reconstruction, alteration, and repair of mined underground space pursuant to sections 469.135 to 469.141, or of associated facilities in the space once the space has been created, provided the intent of the building code to establish reasonable safeguards for health, safety, welfare, comfort, and security is maintained.

(g) [ENCLOSED STAIRWAYS.] No provision of the code or any appendix chapter of the code may require stairways of existing multiple dwelling buildings of two stories or less to be enclosed.

(h) [DOUBLE CYLINDER DEAD BOLT LOCKS.] No provision of the code or appendix chapter of the code may prohibit double cylinder dead bolt locks in existing single-family homes, townhouses, and first floor duplexes used exclusively as a residential

dwelling. Any recommendation or promotion of double cylinder dead bolt locks must include a warning about their potential fire danger and procedures to minimize the danger.

(i) [RELOCATED RESIDENTIAL BUILDINGS.] A residential building relocated within or into a political subdivision of the state need not comply with the state energy code or section 326.371 provided that, where available, an energy audit is conducted on the relocated building.

(j) [AUTOMATIC GARAGE DOOR OPENING SYSTEMS.] The code must require all residential buildings as defined in section 325F.82 to comply with the provisions of sections 325F.82 and 325F.83.

(k) [EXIT SIGN ILLUMINATION.] The code must prohibit the use of incandescent bulbs, except for battery-powered back-up bulbs, in internally illuminated exit signs.

Sec. 3. Minnesota Statutes 1990, section 299F.011, is amended by adding a subdivision to read:

Subd. 4c. [EXIT SIGN ILLUMINATION.] The uniform fire code must prohibit the use of incandescent bulbs, except for battery-powered back-up bulbs, in internally illuminated exit signs.

Sec. 4. [ENERGY EFFICIENCY IN BUILDING CODES.]

Subdivision 1. [ENERGY EFFICIENCY.] By August 1, 1991, the commissioner of public service, in consultation with the commissioner of administration, shall solicit outside information under Minnesota Statutes, section 14.10, on proposed amendments to the Minnesota building code. The commissioner shall begin rulemaking to adopt the amendments by February 1, 1993. So far as is compatible with interests of public health and safety, the amendments must be designed to equal or exceed the most energy-conserving codes adopted by any other state. To the extent practicable, the codes must equal or exceed the model conservation standards proposed by the Pacific Northwest Power Planning Council for climate zones having 8,000 to 10,000 heating degree days.

Subd. 2. [ENERGY EFFICIENCY; COMMERCIAL HEATING, VENTILATION, AND AIR CONDITIONING.] By August 1, 1991, the commissioner of public service shall solicit outside information under Minnesota Statutes, section 14.10, on proposed codes or standards for commercial heating, ventilation, and air conditioning systems and installations to assure that new and remodeled commercial development in Minnesota is as energy efficient as practicable and compatible with public health and safety. The

commissioner shall begin rulemaking to adopt the codes by February 1, 1993.

Sec. 5. [EFFECTIVE DATE.]

Sections 2 and 3 are effective January 1, 1994, and apply to all internally illuminated exit signs in use on or after that date."

Delete the title and insert:

"A bill for an act relating to energy; improving energy efficiency by prohibiting incandescent lighting in certain exit signs; requiring amendments to building codes and standards to increase energy efficiency; requiring state agencies to use funds allocated for utility expenditures to buy certain replacement bulbs; amending Minnesota Statutes 1990, sections 16B.61, subdivision 3; and 299F.011, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 16B."

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

House Conferees: ANDY DAWKINS, MARY MURPHY AND DEAN HARTLE.

Senate Conferees: JOHN MARTY, HAROLD R. "SKIP" FINN AND JOANNE E. BENSON.

Dawkins moved that the report of the Conference Committee on H. F. No. 132 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 132, A bill for an act relating to energy; improving energy efficiency by prohibiting incandescent lighting in certain exit signs; requiring amendments to building codes and standards to increase energy efficiency; requiring state agencies to use funds allocated for utility expenditures to buy nonincandescent bulbs; amending Minnesota Statutes 1990, sections 16B.61, subdivision 3; and 299F.011, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 16B.

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	Anderson, R. H.	Bauerly	Begich	Bettermann
Anderson, I.	Battaglia	Beard	Bertram	Bishop

Blatz	Hartle	Leppik	Omann	Simoneau
Bodahl	Hasskamp	Lieder	Onnen	Skoglund
Boo	Haukoos	Limmer	Orenstein	Smith
Brown	Hausman	Long	Orfield	Solberg
Carlson	Heir	Lourey	Osthoff	Sparby
Carruthers	Henry	Lynch	Ostrom	Stanius
Clark	Hufnagle	Macklin	Ozment	Steensma
Cooper	Hugoson	Mariani	Pauly	Sviggum
Dauner	Jacobs	Marsh	Pellow	Swenson
Davids	Janezich	McEachern	Pelowski	Thompson
Dawkins	Jaros	McGuire	Peterson	Tompkins
Dempsey	Jefferson	McPherson	Pugh	Trimble
Dille	Jennings	Milbert	Reding	Tunheim
Dorn	Johnson, A.	Morrison	Rest	Uphus
Erhardt	Johnson, V.	Munger	Rice	Valento
Farrell	Kahn	Murphy	Rodosovich	Vellenga
Frederick	Kalis	Nelson, K.	Rukavina	Wagenius
Frerichs	Kelso	Nelson, S.	Runbeck	Waltman
Girard	Kinkel	Newinski	Sarna	Weaver
Goodno	Knickerbocker	O'Connor	Schafer	Wejcmann
Greenfield	Koppendrayer	Ogren	Scheid	Welle
Gruenes	Krinkie	Olsen, S.	Schreiber	Wenzel
Gutknecht	Krueger	Olson, E.	Seaberg	Winter
Hanson	Lasley	Olson, K.	Segal	Spk. Vanasek

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

CONFERENCE COMMITTEE REPORT ON HOUSE CONCURRENT
RESOLUTION NO. 1

A house concurrent resolution relating to congressional redistricting; establishing standards for redistricting plans.

May 9, 1991

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 House Concurrent Resolution No. 1, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment and that House Concurrent Resolution No. 1 be further amended as follows:

Page 1, line 14, after the period insert "To the extent consistent with the other standards in this resolution, districts should be compact."

We request adoption of this report and re adoption of the resolution.

House Conferees: PETER RODOSOVICH, JERRY KNICKERBOCKER AND RICHARD H. JEFFERSON.

Senate Conferees: LAWRENCE J. POGEMILLER, WILLIAM P. LUTHER AND DONALD A. STORM.

Rodosovich moved that the report of the Conference Committee on House Concurrent Resolution No. 1 be adopted. The motion prevailed.

Rodosovich moved that House Concurrent Resolution No. 1, as amended by Conference, be now readopted. The motion prevailed and House Concurrent Resolution No. 1, as amended by Conference, was readopted.

CONFERENCE COMMITTEE REPORT ON HOUSE CONCURRENT
RESOLUTION NO. 2

A house concurrent resolution relating to legislative redistricting; establishing standards for redistricting plans.

May 9, 1991

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 House Concurrent Resolution No. 2, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment and that House Concurrent Resolution No. 2 be further amended as follows:

Page 1, line 18, after the period insert "To the extent consistent with the other standards in this resolution, districts should be compact."

We request adoption of this report and re adoption of the resolution.

House Conferees: PETER RODOSOVICH, JERRY KNICKERBOCKER AND RICHARD H. JEFFERSON.

Senate Conferees: LAWRENCE J. POGEMILLER, WILLIAM P. LUTHER AND DONALD A. STORM.

Rodosovich moved that the report of the Conference Committee on House Concurrent Resolution No. 2 be adopted. The motion prevailed.

Rodosovich moved that House Concurrent Resolution No. 2, as amended by Conference, be now readopted. The motion prevailed and House Concurrent Resolution No. 2, as amended by Conference, was readopted.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Simoneau requested immediate consideration of H. F. Nos. 783, 1687 and 1.

H. F. No. 783 was reported to the House.

Bishop moved to amend H. F. No. 783, the first engrossment, as follows:

Page 4, after line 17, insert:

“Sec. 8. Minnesota Statutes 1990, section 103I.105, is amended to read:

103I.105 [ADVISORY COUNCIL ON WELLS AND BORINGS.]

(a) The advisory council on wells and borings is established as an advisory council to the commissioner. The advisory council shall consist of ~~15~~ 16 voting members. Of the ~~15~~ 16 voting members:

(1) one member must be from the department of health, appointed by the commissioner of health;

(2) one member must be from the department of natural resources, appointed by the commissioner of natural resources;

(3) one member must be a member of the Minnesota geological survey of the University of Minnesota, appointed by the director;

(4) one member must be a licensed exploratory borer;

(5) one member must be a licensed elevator shaft contractor;

(6) two members must be members of the public who are not connected with the business of exploratory boring or the well drilling industry;

(7) one member must be from the pollution control agency, appointed by the commissioner of the pollution control agency;

(8) one member must be from the department of transportation, appointed by the commissioner of transportation;

(9) one member must be a monitoring well contractor; and

~~(9)~~ (10) six members must be residents of this state appointed by the commissioner, who are actively engaged in the well drilling industry, with not more than two from the seven-county metropolitan area and at least four from other areas of the state who represent different geographical regions.

(b) An appointee of the well drilling industry may not serve more than two consecutive terms.

(c) The appointees to the advisory council from the well drilling industry must:

(1) have been residents of this state for at least three years before appointment; and

(2) have at least five years' experience in the well drilling business.

(d) The terms of the appointed members and the compensation and removal of all members are governed by section 15.059, except section 15.059, subdivision 5, relating to expiration of the advisory council does not apply."

Page 11, delete lines 23 to 26 and insert: "well disclosure certificate is not required if the following statement appears on the deed followed by the signature of the grantee or, if there is more than one grantee, the signature of at least one of the grantees: "The Grantee certifies that the Grantee does not know of any wells on the described real property." The statement and signature of the grantee may be on the front or back of the deed or on an attached sheet and an acknowledgment of the statement by the grantee is not required for the deed to be recordable."

Page 12, line 2, after the period insert "(e) For real property sold by the state under section 92.67, the lessee at the time of the sale is responsible for compliance with this subdivision."

Reletter subsequent paragraphs

Page 12, line 31, after the period insert "By the tenth day after the end of each calendar quarter, the county recorder or registrar of titles shall transmit to the commissioner of health the fee for each well disclosure certificate received during the quarter."

(g) No new well disclosure certificate is required on property unless the status or numbers of wells on the property has changed from the last previously filed well disclosure certificate."

Reletter subsequent paragraphs

Page 14, after line 24, insert:

"Sec. 24. Minnesota Statutes 1990, section 103I.331, subdivision 2, is amended to read:

Subd. 2. [CRITERIA FOR SELECTING COUNTIES FOR WELL SEALING.] (a) The board of water and soil resources, in selecting counties for participation, shall consult with the commissioners of natural resources, the pollution control agency, and health, and the director of the Minnesota geological survey, and must consider appropriate criteria including the following:

- (1) diversity of well construction;
- (2) diversity of geologic conditions;
- (3) current use of affected aquifers;
- (4) diversity of land use; and
- (5) aquifer susceptibility to contamination by unsealed wells.

(b) After July 1, 1991, only well sealings that are a part of, or responsive to, the following are eligible for assistance:

(1) the priority actions identified in an approved comprehensive local water plan, as defined in section 103B.3363, subdivision 3; are eligible for assistance; or

(2) a plan that is undergoing local review and comment as described in section 103B.255, subdivision 8."

Page 16, after line 5, insert:

"Sec. 29. Minnesota Statutes 1990, section 103I.531, subdivision 5, is amended to read:

Subd. 5. [BOND.] (a) As a condition of being issued a limited well contractor's license for constructing, repairing, and sealing drive point wells or dug wells, sealing wells, or constructing, repairing, and sealing dewatering wells, the applicant must submit a corporate surety bond for \$10,000 approved by the commissioner. As a condition of being issued a limited well contractor's license for installing or repairing well screens or pitless units or pitless adaptors and well casings from the pitless adaptor or pitless unit to the upper termination of the well casing, or installing well pumps or pumping equipment, the applicant must submit a corporate surety bond for \$2,000 approved by the commissioner. The bond bonds required in this paragraph must be conditioned to pay the state on unlawful performance of work regulated by this chapter in this state. The bond is bonds are in lieu of other license bonds required by a political subdivision of the state.

(b) From proceeds of the bond a bond required in paragraph (a), the commissioner may compensate persons injured or suffering financial loss because of a failure of the applicant to properly perform work or duties."

Page 22, after line 7, insert:

"Sec. 43. [WATER WELL COMPLIANCE IN CERTAIN CASES.]

(a) When substantial alterations or improvements are made to an existing agricultural chemical facility in Steele county, a variance for a water well may not be denied if:

(1) the well existed and was in use by the operators of the agricultural chemical facility prior to the alterations or improvements;

(2) the well is a minimum of 50 feet from facilities where agricultural chemicals are stored or handled; and

(3) the alterations or improvements are installed with safeguards as defined in section 18B.01, subdivision 26.

(b) Water from the existing well shall be tested semi-annually for nitrates and other volatile organic compounds. The testing must be paid for by the owner of the well.

Sec. 44. [EFFECTIVE DATE.]

Section 43 is effective the day following final enactment, and shall expire on June 1, 1994."

Renumber the remaining sections

Correct internal references

The motion prevailed and the amendment was adopted.

Speaker pro tempore Krueger called Bauerly to the Chair.

Valento moved to amend H. F. No. 783, the first engrossment, as amended, as follows:

Page 4, delete section 8

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Sparby moved to amend H. F. No. 783, the first engrossment, as amended, as follows:

In the Bishop amendment, page 1, lines 8 and 9, delete "16" and insert "17"

In the Bishop amendment, page 1, line 27, after "(9)" insert "one member from the board of water and soil resources appointed by its chair;"

Renumber the paragraphs in sequence

The motion prevailed and the amendment was adopted.

Bishop moved that H. F. No. 783, as amended, be temporarily laid over on Rule 1.10. The motion prevailed.

H. F. No. 1687 was reported to the House.

Carlson moved to amend H. F. No. 1687, as follows:

Page 2, line 8, before the period insert "and extension services"

Page 4, line 30, after the period insert:

"Before a program can be offered at a site other than that for which it was approved originally, the program must be resubmitted for approval."

The motion prevailed and the amendment was adopted.

H. F. No. 1687, A bill for an act relating to education; establishing missions for public post-secondary systems; requiring joint administrative appointments; clarifying the powers and duties of the higher education coordinating board; creating a commission to develop a master plan and a new funding formula; providing incentives for quality; requiring policies for credit transfer; establishing an intersystem council; creating technical college districts; requiring a study of uses of Waseca campus; appropriating money; amending Minnesota Statutes 1990, section 136A.04, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 135A and 136C.

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	Garcia	Knickerbocker	Olson, E.	Skoglund
Anderson, I.	Girard	Koppendrayer	Olson, K.	Smith
Anderson, R. H.	Goodno	Krinkie	Omann	Solberg
Battaglia	Greenfield	Krueger	Onnen	Sparby
Bauerly	Gruenes	Lasley	Orenstein	Stanius
Beard	Gutknecht	Leppik	Orfield	Steensma
Begich	Hanson	Lieder	Osthoff	Sviggum
Bertram	Hartle	Limmer	Ostrom	Swenson
Bettermann	Hasskamp	Long	Ozment	Thompson
Blatz	Haukoos	Lourey	Pauly	Tompkins
Bodahl	Hausman	Lynch	Pellow	Trimble
Boo	Heir	Macklin	Pelowski	Tunheim
Brown	Henry	Mariani	Peterson	Uphus
Carlson	Hufnagle	Marsh	Pugh	Valento
Carruthers	Hugoson	McEachern	Reding	Vellenga
Clark	Jacobs	McGuire	Rest	Wagenius
Cooper	Janezich	McPherson	Rice	Waltman
Dauner	Jaros	Milbert	Rodosovich	Weaver
Davids	Jefferson	Morrison	Rukavina	Wejcmán
Dawkins	Jennings	Munger	Runbeck	Welker
Dempsey	Johnson, A.	Murphy	Sarna	Welle
Dille	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dorn	Johnson, V.	Nelson, S.	Scheid	Winter
Erhardt	Kahn	Newinski	Schreiber	Spk. Vanasek
Farrell	Kalis	O'Connor	Seaberg	
Frederick	Kelso	Ogren	Segal	
Frerichs	Kinkel	Olsen, S.	Simoneau	

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

Speaker pro tempore Bauerly called Krueger to the Chair.

H. F. No. 1 was reported to the House.

Bertram; Dille; Steensma; Nelson, S.; Sparby; Dauner; Anderson, R. H.; Wenzel; Tunheim and Frederick moved to amend H. F. No. 1, the fourth engrossment, as follows:

Page 9, line 3, after “wetland” delete the language to the comma and insert “located on nonagricultural land”

Page 9, line 6, after “wetland” delete the language to the comma and insert “located on agricultural land”

The motion prevailed and the amendment was adopted.

Gruenes; Krueger; Osthoff; Bertram; Steensma; Omann; Koppen-draye; Johnson, V.; Kahn; Wenzel and Bishop moved to amend H. F. No. 1, the fourth engrossment, as amended, as follows:

Page 4, line 31, before “Payment” insert “(a)”

Page 4, after line 36, insert:

“(b) No payment for a wetland may be made to a person unless the person farms or is the lessor of at least 80 acres of land and derives at least 25 percent of their annual gross income from farm-related activities.”

The motion prevailed and the amendment was adopted.

Vellenga and Bertram moved to amend H. F. No. 1, the fourth engrossment, as amended, as follows:

Page 4, line 36, before the period insert “for wetlands located outside of the metropolitan area.”

Payment for wetlands located within the seven-county metropolitan area must be made at 20 percent of the township average equalized estimated market value of agricultural property as established by the commissioner of revenue at the time of easement application.”

The motion prevailed and the amendment was adopted.

H. F. No. 1, A bill for an act relating to waters; establishing a program for the enhancement, preservation, and protection of wetlands within the state; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 103A.201; 103B.311, subdivision 6; 103E.701, by adding a subdivision; 103G.005, subdivisions 15 and 18, and by adding subdivisions; 103G.221, subdivision 1; 103G.231, by adding subdivisions; and 446A.12, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 84; 103F; and 103G; repealing Minnesota Statutes 1990, section 103G.221, subdivisions 2 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 116 yeas and 13 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Olson, K.	Skoglund
Anderson, R.	Garcia	Knickerbocker	Omann	Smith
Anderson, R. H.	Girard	Koppendraye	Onnen	Solberg
Battaglia	Goodno	Krinkie	Orenstein	Stanius
Bauerly	Gruenes	Krueger	Orfield	Steensma
Beard	Gutknecht	Leppik	Osthoff	Sviggum
Begich	Hanson	Lieder	Ostrom	Swenson
Bertram	Hartle	Limmer	Ozment	Thompson
Bettermann	Hasskamp	Long	Pauly	Tompkins
Bishop	Hausman	Lourey	Pellow	Trimble
Blatz	Heir	Lynch	Pelowski	Valento
Bodahl	Henry	Macklin	Pugh	Vellenga
Boo	Hufnagle	Mariani	Reding	Wagenius
Carlson	Hugoson	Marsh	Rice	Waltman
Carruthers	Jacobs	McEachern	Rodosovich	Weaver
Clark	Janezich	McGuire	Rukavina	Wejcman
Davids	Jaros	McPherson	Runbeck	Welle
Dawkins	Jefferson	Milbert	Sarna	Wenzel
Dempsey	Jennings	Morrison	Schafer	Winter
Dille	Johnson, A.	Munger	Scheid	Spk. Vanasek
Dorn	Johnson, R.	Murphy	Schreiber	
Erhardt	Johnson, V.	Newinski	Seaberg	
Farrell	Kahn	O'Connor	Segal	
Frederick	Kelso	Olsen, S.	Simoneau	

Those who voted in the negative were:

Anderson, I.	Dauner	Lasley	Sparby	Welker
Brown	Haukoos	Olson, E.	Tunheim	
Cooper	Kalis	Peterson	Uphus	

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

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2, A bill for an act relating to health care; establishing the Minnesotans' health care plan to provide health coverage to uninsured and underinsured Minnesotans; requiring all Minnesotans to maintain health coverage; requiring the new commissioner to set overall limits on health care spending and make recommendations regarding health care system reform; requiring an implementation plan and reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 62J.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1**BUREAU OF HEALTH CARE ACCESS**

Section 1. [16B.065] [STATE CONTRACTORS AND VENDORS; HEALTH COVERAGE FOR EMPLOYEES.]

To participate in a state contract or otherwise provide goods or services to a state agency, the contractor, vendor, or service provider must offer health coverage to its employees that meets the terms and conditions for employer eligibility in the Minnesotans' health care plan in article 2, section 6. The contractor, vendor, or service provider may obtain health coverage through the Minnesotans' health care plan or an alternative source.

Sec. 2. [62J.03] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of this chapter, the following terms have the meanings given them.

Subd. 2. [GROUPS; DEFINITIONS.] The definitions of small group, medium-sized group, large group, and group sponsor in this section are subject to United States Code, title 26, sections 414(b), 414(c), and 414(m), and federal regulations related to those sections, when a group sponsor or sponsors alter, reform, or redefine a group or groups to avoid or to take advantage of community rating. The commissioners of commerce and health may adopt rules to supplement those federal statutes and regulations to prevent qualification as a large, medium-sized, or small group through the use of separate

organizations, multiple organizations, employee leasing, or other arrangements.

Subd. 3. [ADULT.] “Adult” means a person 18 years of age or older.

Subd. 4. [CHILD.] “Child” means a person under 18 years of age.

Subd. 5. [COMMISSIONER.] “Commissioner” means the commissioner of health.

Subd. 6. [DEPARTMENT.] “Department” means the department of health.

Subd. 7. [FAMILY.] For purposes of a state premium subsidy for participants in the state plan, “family” means two legally married adults, two legally married adults with one or more dependent children, or one adult with one or more dependent children. “Dependent child” means an unmarried child residing in Minnesota who is under the age of 19 years, a student under the age of 25 years and financially dependent upon one or both adult policyholders, or an unmarried child of any age who is disabled; and the biological or adopted child of one or both of the adult policyholders, or a legally designated stepchild or foster child for whom one or both of the adult policyholders is the primary source of support.

Subd. 8. [GROUP SPONSOR.] “Group sponsor” means an employer or other entity described in section 62A.10, subdivision 1, as an eligible purchaser of health coverage.

Subd. 9. [HEALTH COVERAGE.] “Health coverage” means a policy or contract providing health and accident benefit under chapter 62A, 62C, 62D, 62E, 62H, or 64B; under section 471.617, subdivision 2; or through the state plan. Health coverage does not include a policy or contract designed primarily to provide coverage on a per diem, fixed annuity, or nonexpense-incurred basis, or that provides only accident coverage.

Subd. 10. [HEALTH PLAN COMPANY.] “Health plan company” means any entity governed by chapter 62A, 62C, 62D, 62E, 62H, or 64B, or section 471.617, subdivision 2, that offers, sells, issues, or renews health coverage in this state. Health plan company does not include an entity that sells only policies designed primarily to provide coverage on a per diem, fixed annuity, or nonexpense-incurred basis, or policies that provide only accident coverage.

Subd. 11. [HEALTH PROFESSIONAL.] In benefit set descriptions, references to services performed by “health professionals” include services performed by any qualified health professionals acting within their licensed, certified, or registered scope of practice.

Subd. 12. [INDIVIDUAL.] "Individual" means a person or family that applies to a health plan company or the state plan for health coverage on a one person basis, as a two-person family or as a family of three or more persons.

Subd. 13. [INTERMEDIATE BENEFIT SET.] "Intermediate benefit set" means the health care benefits specified in article 3, sections 2 to 11.

Subd. 14. [INTERMEDIATE BENEFIT SET, PART A.] "Intermediate benefit set, part A" means the health care benefits specified in article 3, sections 2 to 7 and section 11.

Subd. 15. [INTERMEDIATE BENEFIT SET, PART B.] "Intermediate benefit set, part B" means the health care benefits specified in article 3, sections 8 to 11.

Subd. 16. [LARGE GROUP.] "Large group" means a group of 100 or more employees or members of a group sponsor that applies for or obtains health coverage from a health plan company or the state plan. Owners of sole proprietorships, partnerships, and other unincorporated entities are employees for purposes of this definition. Dependents of employees or members do not count for purposes of this definition.

Subd. 17. [MEDIUM-SIZED GROUP.] "Medium-sized group" means a group of not fewer than 30 nor more than 99 employees or members of a group sponsor that applies for or obtains health coverage from a health plan company or the state plan. Owners of sole proprietorships, partnerships, and other unincorporated entities are employees for purposes of this definition. Dependents of employees or members do not count for purposes of this definition.

Subd. 18. [MINIMUM INSURANCE BENEFIT SET.] "Minimum insurance benefit set" means the health care benefits that must be included in health coverage offered, sold, issued, or renewed by health plan companies, as specified in article 3, section 14.

Subd. 19. [MINNESOTA RESIDENT.] "Minnesota resident" means a person whose principal place of residence is Minnesota and who (1) is employed in Minnesota; or (2) has resided in Minnesota for at least 90 consecutive days.

Subd. 20. [SMALL GROUP.] "Small group" means a group of not fewer than two nor more than 29 employees or members of a group sponsor that applies for or obtains health coverage from a health plan company or the state plan. Owners of sole proprietorships, partnerships, and other unincorporated entities are employees for purposes of this definition. Dependents of employees or members do not count for purposes of this definition.

Subd. 21. [STATE PLAN.] "State plan" means the Minnesotans' health care plan administered by the commissioner of health.

Subd. 22. [SUPPLEMENTAL BENEFIT SET.] "Supplemental benefit set" means the health care benefits available through the state plan that exceed the intermediate benefit set, as specified in article 3, section 15.

Subd. 23. [UNIVERSAL BASIC BENEFIT SET.] "Universal basic benefit set" means the health care benefits specified in article 3, section 12.

Sec. 3. [62J.04] [BUREAU OF HEALTH CARE ACCESS.]

Subdivision 1. [POWERS AND DUTIES.] The bureau of health care access is under the supervision of a deputy commissioner appointed by the commissioner of health. The bureau of health care access in the department of health shall:

(1) design, implement and administer the Minnesotans' health care plan;

(2) contract with providers, insurers, and health plans to provide coverage or health care to participants in state health programs administered by the bureau and specify or negotiate the terms of the contracts;

(3) administer the reinsurance pool in article 7, sections 12 to 15, and the biased selection adjustment in article 7, section 9;

(4) coordinate the health care programs administered by the bureau with the medical assistance program;

(5) have the authority to clarify and refine the terms of the intermediate benefit set, the supplemental benefit set, the minimum insurance benefit set, and the universal basic benefit set, including the authority to waive copayments, or establish a sliding scale copayment schedule that will result in reduced copayments, for enrollees with federal adjusted gross incomes below 185 percent of the federal poverty guideline;

(6) coordinate the mental health benefits of the health care programs administered by the bureau with county-based mental health programs provided under the adult and children's community mental health services acts and community social services act, and recommend changes to the state plan and to adult and children's community mental health services act and community social services act programs that will improve the state plan's mental health benefits and minimize duplication with county-based programs;

(7) provide assistance to the commissioner of human services in order to secure waivers of federal requirements for federally subsidized health care programs as necessary to further the state's health care access goals and improve coordination between governmental health care programs; and

(8) coordinate the health care programs administered by the commissioner with other state and local health care programs in order to make the most effective use of the state's market leverage and expertise in contracting and working with health plans and health care providers, and recommend to the legislature any changes needed to: (i) improve the effectiveness of public health care purchasing; and (ii) streamline and consolidate government health care programs.

Subd. 2. [CONTRACTS.] When entering into contracts with health plans and health care providers, the bureau is not subject to the competitive bidding requirements in section 16B.07. The commissioner shall, whenever practical and cost effective, contract with the commissioner of human services for services necessary to administer the Minnesotans' health care plan, including services related to eligibility determination, claims processing, and health care utilization review.

Subd. 3. [EMPLOYEES.] The commissioner of health shall hire employees to carry out the duties of the bureau.

Subd. 4. [RULES.] The commissioner of health may adopt permanent and emergency rules as necessary to carry out the duties assigned in this chapter.

Subd. 5. [MONITORING OF EMPLOYERS.] The commissioner shall conduct surveys and other activities to monitor changes over time, if any, in employers' behavior in providing subsidized health coverage. Detailed surveys of employer behavior must be conducted at least annually. After each survey is completed, the findings and an analysis of the positive or negative impact, if any, on the costs of the Minnesotans' health care plan resulting from changes in employers' behavior, and recommendations regarding actions necessary to address changes, must be reported to the commissioners of finance and revenue and to the chairs of the senate finance and house of representatives appropriations committees and the senate and house of representatives tax committees.

Sec. 4. [62J.05] [TECHNOLOGY AND BENEFITS ADVISORY COMMITTEE.]

Subdivision 1. [MEMBERSHIP.] The commissioner shall convene a technology and benefits advisory committee consisting of consumers, health care providers and payors, a representative of the medical products industry, and experts in medical ethics. Advisory

committee members are appointed by the governor. The governor shall ensure that appointments result in a balance of interests on the committee, including geographic balance. The commissioner shall present recommendations for appointments to the governor. The advisory committee is governed by section 15.059 except that it does not expire.

Subd. 2. [DUTIES.] The technology and benefits advisory committee is responsible for periodically reviewing, analyzing, and evaluating health care technology, benefits, and coverage and making recommendations to the commissioner and the legislature. The committee's recommendations must be based on the following principles: (1) universal and equitable access to health care procedures and technologies; (2) maintenance of an appropriate balance between expenditures for primary and preventive care, and expenditures for high-cost cases; (3) promotion of high quality and cost-effective health care; and (4) adherence to budget targets. The committee shall solicit comments and recommendations from interested persons during its deliberations. The committee is responsible for reviewing, analyzing, and making recommendations concerning at least the following:

- (i) the universal basic benefit set;
- (ii) the intermediate benefit set;
- (iii) the supplemental benefit set;
- (iv) the minimum insurance benefit set;
- (v) coverage for new procedures and technologies;
- (vi) state mandated benefits applicable to insurers and other health plan companies;
- (vii) benefit levels in other state health coverage programs; and
- (viii) coverage and health care standards for cases subject to the reinsurance pool in article 7, sections 12 to 15, which would be binding on the reinsurance pool.

Subd. 3. [REPORT.] The technology and benefits advisory committee shall study issues related to the rising cost of new medical technology. The committee shall evaluate different methods of controlling health care costs associated with the adoption of new medical technology, and shall present recommendations to the commissioner, and to the health care analysis unit, by January 1, 1993.

Sec. 5. [62J.06] [IMPLEMENTATION.]

Subdivision 1. [NEW PROGRAM PLANNING AND DEVELOPMENT.] The commissioner, through the bureau of health care access, shall begin planning and development for the state plan July 1, 1991. The commissioner shall use an implementation schedule that will lead to enrollment of eligible individuals, families, and employee groups statewide beginning July 1, 1992. Planning and development activities include:

(1) development of outreach, enrollment, and eligibility determination procedures;

(2) commencement of outreach activities;

(3) planning, development, and acquisition of necessary computer systems, including forms, software, and training;

(4) development of health plan contractor specifications and issuance of requests for proposals;

(5) negotiating and executing health plan contracts;

(6) planning, development, and preparation of systems for direct health care delivery management by the state or contracting for the use of existing administrative systems in the department of human services, as necessary;

(7) preparations, requests for proposals, contract negotiations, and other activities relating to the reinsurance pool; and

(8) other appropriate planning and development activities.

Subd. 2. [SUBMISSION AND APPROVAL REQUIRED.] (a) The commissioner, through the bureau of health care access, shall coordinate the provision and management of health care by other state agencies, in order to improve health care efficiency and quality. State agencies that administer the health care programs listed in this subdivision shall submit, to the commissioner of health, the information requested by the commissioner on the methods and procedures used to provide and manage health care. The commissioner shall review the information presented and approve or disapprove the methods and procedures used by each agency. If the commissioner does not approve the methods used by an agency, the commissioner shall recommend appropriate changes in these methods and procedures, and shall require the agency to make these changes in order to obtain approval. Each agency shall submit information on methods and procedures to the commissioner of health by the date specified in this subdivision. The commissioner of health shall approve or disapprove the methods and procedures submitted within 45 days of the date specified for submission.

(b) By July 1, 1993, or one year after the state plan begins enrollment, whichever is later, the commissioner of human services shall provide the commissioner of health with requested information on the methods and procedures used to provide and manage health care through the general assistance medical care, children's health plan, and consolidated chemical dependency fund programs.

(c) By July 1, 1992, or when the state plan begins enrollment, whichever is later, the commissioner of commerce shall provide the commissioner of health with requested information on the methods and procedures used to provide and manage health care through the Minnesota comprehensive health association.

(d) By July 1, 1995, the commissioner of human services shall provide the commissioner of health with requested information on the methods and procedures used to provide and manage health care through the medical assistance programs.

(e) By July 1, 1995, the commissioners of employee relations, corrections, and other affected agencies shall provide the commissioner of health with requested information on the methods and procedures used to provide and manage health care through state and local government employee health benefits programs, corrections system health programs, and the health care component of the Minnesota crime victims reparations board program, and other health care and health coverage programs sponsored by state or local government.

(f) By July 1, 1995, the commissioners of labor and industry, commerce, and other affected agencies shall provide the commissioner of health with requested information on the methods and procedures used to provide and manage health care through the health care component of workers' compensation coverage and the health care component of motor vehicle and motorcycle coverage.

Subd. 3. [HEALTH DEPARTMENT PROGRAMS.] By July 1, 1993, the commissioner of health shall review the methods and procedures used to provide and manage health care through the services for children with handicaps program and the maternal and child health program, and shall implement any changes needed to improve health care efficiency and quality.

Subd. 4. [LEGISLATION.] If the commissioner determines that additional legislation is necessary to fully implement the Minnesotans' health care plan and other activities and requirements established in this chapter, or to more effectively provide and manage health care throughout the state, the commissioner shall submit proposed legislation to the legislature.

Subd. 5. [ASSISTANCE FROM OTHER AGENCIES.] At the request of the commissioner, the commissioners of human services,

commerce, state planning, employee relations, labor and industry, corrections, finance, and other affected agencies shall provide assistance in planning, development, and implementation.

Sec. 6. [STUDIES AND REPORTS.]

Subdivision 1. [HEALTH CARE DELIVERY SYSTEM REFORM.] The commissioner shall study and make recommendations regarding further reforms to the health care delivery system in Minnesota. The commissioner shall solicit the comments, advice, and participation from communities with an interest in accessible, affordable health care. The commissioner shall submit a report to the legislature by January 1, 1994.

Subd. 2. [HEALTH PLAN REGULATION.] The commissioner of health and the commissioner of commerce shall develop a plan for the functional division of regulatory authority over health plans. This plan must be presented to the legislature by January 1, 1992. The plan must allow each commissioner to exercise independent authority to the greatest extent possible and must minimize jurisdictional overlaps. The plan must provide the commissioner of commerce with primary authority for regulating the financial integrity and corporate structure of health plans and must provide the commissioner of health with primary authority for regulating health care delivery and health care quality.

Subd. 3. [STANDARD CLAIM FORMS AND UTILIZATION REVIEW PROCEDURES.] The commissioner shall recommend to the legislature a standard claim form for ambulatory care by January 1, 1994, and standards for certain types of utilization review procedures by January 1, 1994. These recommendations must not have the effect of limiting innovation and improvement in health care delivery management, or compromising the purposes for which information is collected.

Sec. 7. [REPEALER.]

Minnesota Statutes, sections 62E.51, 62E.52, 62E.53, 62E.531, 62E.54, and 62E.55, relating to the catastrophic health expense protection program, are repealed.

Sec. 8. [EFFECTIVE DATES.]

Section 1 is effective July 1, 1996, and applies to contracts entered into or renewed, or goods or services provided, after that date. Section 3, creating the bureau of health care access, is effective July 1, 1991. Section 4 is effective January 1, 1992.

ARTICLE 2

MINNESOTANS' HEALTH CARE PLAN

Section 1. [62J.07] [CREATION.]

The Minnesotans' health care plan is created to provide health coverage to individuals, families, and employers who do not have access to other affordable health coverage.

Sec. 2. [62J.08] [COVERAGE REQUIRED FOR MINNESOTA RESIDENTS.]

All Minnesota residents must obtain health coverage equal to or greater than the universal basic benefit set or the minimum insurance benefit set. Coverage may be obtained through the state plan, an employer, an individual policy with a private health plan company, or any other source of coverage. Minnesota residents must provide proof of coverage in the manner required by the commissioner of health care access.

Sec. 3. [62J.09] [ELIGIBILITY OF INDIVIDUALS AND FAMILIES.]

To be eligible to obtain coverage through the state plan, individuals and families must be Minnesota residents and have no other health coverage or must have coverage that primarily supplements, rather than duplicates, the intermediate benefit set. A Minnesota resident individual or family may switch from private health coverage to the state plan provided the transfer does not result in simultaneous coverage under both the state plan and another health care plan. The individual or family must contribute to the cost of health coverage as provided in section 4.

Sec. 4. [62J.10] [INDIVIDUAL AND FAMILY PREMIUMS.]

Subdivision 1. [SLIDING SCALE AND ENROLLEE PREMIUMS.] Each individual and family enrolled in the state plan shall pay a premium set in relation to income and family size. The commissioner shall establish a sliding scale to determine the amount of the premium each individual or family must pay to obtain health coverage through the state plan. The sliding scale must use the federal poverty guidelines as the primary unit of measurement, and must be based on an individual's or family's income, as defined in section 290A.03, subdivision 3, clauses (1) and (2). The commissioner shall determine income on the basis of a period of time, such as the prior three months, which takes into account an applicant's current financial status. The sliding scale must be designed so that individuals and families with incomes less than 25 percent of the federal poverty level pay 0.75 percent of their income, and those with incomes between 250 percent and 275 percent of the federal

poverty level pay 4.5 percent of their income. Individuals and families with incomes over 275 percent of the federal poverty guideline or \$40,000, whichever is less, are not eligible for a subsidized premium and must pay 100 percent of the cost of coverage through the state plan. In addition to payments under the sliding scale, enrollees may be required to make greater payments depending on the health plan chosen. The commissioner shall pass on differences in premiums between health plans to enrollees, except that the commissioner may limit differences in charges to enrollees if necessary to prevent enrollment that exceeds the capacity of certain plans.

Subd. 2. [ADJUSTMENTS TO THE INCOME LIMIT AND SLIDING SCALE.] The commissioner shall adjust the sliding scale and the maximum income limit for subsidized coverage to reflect changes in prevailing income levels, health coverage costs, and benefit levels.

Subd. 3. [MUST NOT HAVE ACCESS TO EMPLOYER-SUBSIDIZED COVERAGE.] To be eligible for subsidized coverage, an individual or family must not have access to subsidized health coverage through an employer, unless the amount of employer subsidy toward the cost of coverage is less than an amount determined by the commissioner of health. Children are eligible for employer-subsidized coverage through either parent, including the noncustodial parent. The commissioner must treat employer contributions to Internal Revenue Code Section 125 plans as qualified employer subsidies toward the cost of health coverage for employees for purposes of this section.

Subd. 4. [NO SUBSIDY AVAILABLE FOR MEDICARE SUPPLEMENT COVERAGE.] An individual eligible for Medicare benefits must pay 100 percent of the cost of obtaining Medicare supplement coverage through the state plan, regardless of income.

Subd. 5. [COVERAGE MUST NOT DISPLACE FEDERALLY SUBSIDIZED HEALTH COVERAGE.] Subsidized state plan coverage must not displace subsidized health coverage through a federally supported health program, such as medical assistance, for which an individual, child, or family is eligible. The commissioner shall establish procedures and requirements to allow coordinated, limited, or supplemental participation in the Minnesotans' health care plan, including limited subsidies, of participants in federally supported health programs to the extent necessary to provide coverage comparable to coverage provided to other state plan enrollees without displacing federal benefits.

Subd. 6. [MUST BE A PERMANENT MINNESOTA RESIDENT.] To be eligible for a subsidy, individuals and families must be permanent residents of Minnesota, and must have resided in Minnesota for at least 12 months prior to application. This 12-month

requirement for residency does not apply to a person who is employed within the state, provided the person satisfies the other criteria for permanent residence. A permanent Minnesota resident is a Minnesota resident who considers Minnesota to be the person's principal place of residence and intends to remain in the state permanently or for a long period of time and not as a temporary or short-term resident. An individual or family that moved to Minnesota primarily to obtain medical treatment or health coverage for a preexisting condition is not a permanent resident and is not entitled to subsidized coverage through the state plan.

Subd. 7. [PERIOD UNINSURED.] To be eligible for a subsidy, individuals must have had no health coverage for at least three months prior to application. The commissioner may change this eligibility criterion for subsidized coverage to remain within the limits of available appropriations.

Sec. 5. [62J.11] [SUBSIDIZED COVERAGE.]

From July 1, 1992 through June 30, 1996, the intermediate benefit set, part A, shall be provided on a subsidized basis through the state plan to qualified individuals and families. Effective July 1, 1996, the universal basic benefit set shall be provided on a subsidized basis through the state plan. The provision of, and terms of eligibility for, subsidized health coverage are subject to the limits of available appropriations. The commissioner has the authority to adopt permanent rules and emergency rules related to modifying the terms of provision of, and terms of eligibility for, the receipt of subsidized coverage.

Sec. 6. [62J.12] [ELIGIBILITY OF EMPLOYERS.]

Subdivision 1. [GROUP COVERAGE.] An employer is eligible to enroll its employees in the state plan as a group in order to offer its employees health coverage under the Minnesotans' health care plan. To be eligible to participate, an employer must pay Minnesota unemployment insurance premiums and have two or more covered employees, including the owner, or, if a sole proprietor, must have at least one employee covered by unemployment insurance and be included in the group for purposes of health coverage. A self-employed person with no employees may not participate as an employer but may participate as an individual or family. The employer must collect employees' share of premiums and remit them to the commissioner along with the employer's contribution. Sliding scale premium subsidies as described in section 5 do not apply to group coverage. The commissioner shall establish conditions for enrollment of employer groups. Conditions may include, but are not limited to, minimum employer contributions toward coverage for employees and their families, minimum standards for employee eligibility, and eligibility waiting periods for new employees. The commissioner shall use administrative systems for group

coverage for employers that will identify and enroll enrollees in a manner comparable to individual, nongroup enrollment in order to enhance the portability of coverage to an individual policy or to another employer covered through the state plan, and to minimize administrative costs associated with frequent reissuing of policies.

Subd. 2. [COVERAGE OF PART-TIME AND SEASONAL EMPLOYEES.] The commissioner shall establish conditions, procedures, and a special accounting mechanism to allow employers to defray the cost of coverage for part-time and seasonal employees through the state plan without including these employees in the employer's health benefits program. This is the only circumstance under which an employer subsidy toward the cost of employee health coverage and a state subsidy for health coverage through the state plan may be combined. Employers that have terminated health benefits for part-time or seasonal employees within the three years before application are not eligible to participate in the part-time or seasonal employee enrollment system. Part-time or seasonal employees on whose behalf employer contributions have been submitted must obtain coverage through the state plan as individuals or families rather than as an employee group. The employer contributions must be used to reduce the premium that the employee would otherwise have owed, and will be in addition to any individual premium subsidy to which the employee would otherwise be entitled. The commissioner shall establish definitions and standards for part-time and seasonal employees as necessary to implement this subdivision.

PROGRAM ADMINISTRATION

Sec. 7. [62J.13] [PROVISION OF HEALTH CARE SERVICES; MANAGED CARE.]

In areas of the state where managed care health plans operate, the commissioner must deliver health care through contracts with managed care health plans. The commissioner may require contractors to provide all services under the intermediate benefit set, or may contract separately for certain services if the commissioner determines this to be in the best interests of the state plan. In order to qualify for participation in the state plan, a managed care health plan must meet the specifications in this section.

(a) The health plan must demonstrate to the satisfaction of the commissioner that it is financially responsible and may reasonably be expected to meet its obligations to enrollees and prospective enrollees.

(b) The health plan must have sufficient provider network capacity to adequately serve enrollees and prospective enrollees.

(c) The health plan must have established procedures adequate to manage the delivery of health care. The procedures must incorporate clear standards of practice or protocols where they exist. The procedures must also require enrollees to register with a specific primary care clinic which will coordinate referrals, hospitalizations, and other health care delivery. A plan that has not established these procedures may participate in the program if the plan demonstrates to the satisfaction of the commissioner that an alternative, comparably effective system of case management has been established. A managed care health plan that has not established procedures satisfactory to the commissioner may participate in the program if the plan agrees to implement satisfactory procedures within three years from the date it is accepted for participation by the commissioner.

(d) The health plan must demonstrate a long-term commitment to improving the quality and efficiency of health care.

(e) The health plan must have established programs to educate enrollees about appropriate use of the health care system. The programs may include self-care education, telephone nurse access, encouragement of healthy lifestyles, and encouragement of conformance to prescribed courses of treatment.

(f) Health plans must notify enrollees by mail when coverage limits under the intermediate benefit set have been reached and explain that payment for future services in excess of the coverage limits are the responsibility of the patient.

(g) The health plan must include appropriate use of nonphysician providers within its overall framework of managed care.

(h) The health plan must have arrangements for sign and spoken language interpreters necessary in connection with receipt of services covered under the plan.

Sec. 8. [62J.14] [AREAS WITHOUT SATISFACTORY MANAGED CARE HEALTH PLANS.]

In areas of the state where the commissioner determines satisfactory managed care health plans are not available, the commissioner shall make health care available using one or more of the options specified in this section.

(a) The commissioner may recruit or encourage managed care health plans to serve the area.

(b) The commissioner may establish managed care health plans through direct contracts with existing clinics or other health care

providers in the area consistent with the specifications and objectives of the state plan.

(c) The commissioner may pay providers on a fee-for-service basis, using managed care procedures, and may contract with the department of human services for claims processing and health care utilization review. When developing the payment system, the commissioner shall investigate the proposed Medicare resource-based relative value scale as the basis for a new fee schedule and the possibility of collective bargaining with health care providers. Participating providers must be required to operate under the department's managed care standards and procedures. Payment will be based on a fee schedule to be established by the commissioner with payments established at a level to ensure that program costs in the area are lower than under a managed care system. Providers must be required to accept program enrollees as a condition of serving patients covered by any health coverage program financed by state or local government, including public employee health benefit programs. Providers must be prohibited from billing enrollees for any portion of health care charges not reimbursed by the commissioner, except to collect copayments and deductibles or to charge for services that exceed coverage limits, to the extent these are specified in the state plan.

Sec. 9. [62J.15] [ENCOURAGEMENT OF PARTICIPATION OF PROVIDERS SERVING LOW-INCOME PERSONS.]

The commissioner shall encourage expansion or development of health plans that include providers currently serving low-income, uninsured state residents, including nonprofit community clinics, public health departments, and public hospitals. The commissioner's managed care specifications must apply to these providers when serving program enrollees.

Sec. 10. [62J.16] [HEALTH PLAN COMPENSATION; RESERVE FUND; PREMIUM DETERMINATION.]

Subdivision 1. [HEALTH PLAN COMPENSATION.] The commissioner shall establish health plan payment arrangements in order to create financial incentives to improve the effectiveness and efficiency of health care delivery. Health plan companies under contract with the state plan may not vary the benefits included in the intermediate benefit set in order to reduce the cost of premiums. Participating health plan companies must assume responsibility for health care delivery and must assume financial risk, subject to the limits established through the reinsurance pool. To prevent uncertainty regarding the mix and cost of enrollees from resulting in higher charges in the state plan during the plan's first three years of operation, the commissioner may share risk above or below the health plan company's expected costs for state plan enrollees, to the extent that such risk sharing would reduce charges in the state

plan. The risk sharing must not alter the community-rated basis, or limited rate variations, for premiums as specified in article 7, section 6. The commissioner is responsible for collecting premium payments from individuals, families, and employers, and health plan reimbursement may not be linked to collection of premium payments.

Subd. 2. [RESERVE FUND.] The commissioner shall establish a reserve fund to ensure that state funding will be available to fully satisfy the state's payment and risk-sharing obligations in the event the costs of coverage through the state plan are higher than expected. The reserve fund shall be established as an account within the general fund, and shall not exceed 8.33 percent of estimated total premiums for state plan coverage in the current fiscal year. The reserve fund shall include funds appropriated for this purpose, and any excess of state plan revenues more than expenses. The reserve fund shall remain available from year to year and does not cancel, except for funds in excess of the designated limit at the end of each fiscal year.

Subd. 3. [PREMIUM DETERMINATION.] The commissioner shall establish the premium rates charged in the state plan. In establishing premium rates the commissioner shall take into account differences in administrative costs for different classes of enrollment, and the need to maintain rates in the state plan that are competitive with the private market. The premium rates shall include: (1) an amount for health care delivery and health plan administration determined for each health plan company through bids or negotiations; (2) an amount for state plan administrative services provided by the department or other state agencies, not to exceed five percent of total premium; and (3) any additional amount determined to be necessary by the commissioner to ensure that funds will be available to fully satisfy the state's payment and risk-sharing obligations.

Sec. 11. [62J.17] [OUTREACH ACTIVITIES.]

Subdivision 1. [OUTREACH TO INDIVIDUALS.] The commissioner shall establish outreach activities to inform state residents about public and private sources of health coverage and to assist them in obtaining coverage. Outreach activities must include the following:

(1) health coverage information and counseling services provided throughout the state and through a toll-free telephone number; and

(2) ongoing publicity and advertising activities.

Subd. 2. [OUTREACH TO EMPLOYERS.] The commissioner shall establish outreach activities to inform employers about the Minnesotans' health care plan and other sources of health care

coverage and to assist them to obtain or expand coverage for their employees. Outreach activities must be directed at the types of employers determined by the commissioner to be most interested in joining the state plan.

Sec. 12. [62J.18] [ENROLLMENT EDUCATION AND ASSISTANCE.]

The commissioner shall provide enrollment education and assistance to state residents. The assistance may include written materials, workshops, and individual assistance. Educational programs and assistance must be designed to serve persons who are not proficient in English or who have special communication needs. The program must provide information on the following topics in addition to information provided at the discretion of the commissioner:

- (1) basic and supplemental coverage offered by the state plan;
- (2) features of specific health plans offered by the state plan, including information on obtaining health care within health plans and descriptions of provider networks;
- (3) differences between individual and group coverage;
- (4) premiums associated with each plan and premium payment procedures and obligations; and
- (5) actions enrollees must take if eligibility status changes.

Sec. 13. [62J.19] [APPLICATION FORMS AND PROCEDURES.]

Subdivision 1. [PROCEDURES.] The commissioner shall accept application forms submitted by mail or in person. Applicants must include payment equal to one month of premium costs with the completed application. Applicants who are employed full-time by an employer who participates in the state plan must apply through the employer. Part-time and seasonal employees of an employer who participates in the state plan may participate on an individual basis as provided in section 6, subdivision 2.

Subd. 2. [FORMS.] Application must be made on forms supplied by the commissioner. The commissioner shall design the form in order to collect the minimum amount of information necessary to administer the program. A more detailed form may be designed for use by applicants potentially eligible for federally subsidized health care programs and other state programs.

Subd. 3. [AVAILABILITY OF FORMS.] The commissioner shall make application forms available throughout Minnesota at state government offices; at hospitals, clinics, and other health care

provider offices, especially where large numbers of low-income persons are served; with individual income tax forms; with applications for a driver's license, state identification card, or motor vehicle registration; with school and college registration materials; at food shelves; at the offices of insurers, health maintenance organizations, and other health plan companies; at school district offices; at public and private elementary schools; at community health offices; and at women, infants, and children (WIC) program sites.

Sec. 14. [62J.20] [ELIGIBILITY DETERMINATION.]

Subdivision 1. [ELIGIBILITY VERIFICATION.] The emphasis of eligibility verification procedures must be on achieving enrollment and coverage as soon after application as possible. To this end, confirmation of income and other information provided by the applicant shall be on a random-check or special-case basis, and shall occur primarily through use of personal data that the state gathers, such as income tax and property tax refund records, for other purposes. The commissioner may use individuals' social security numbers as identifiers for purposes of administering the plan.

Subd. 2. [APPLICANT INFORMATION.] Applicants shall submit evidence of family income, earned and unearned, for use in determining the amount of the premium and eligibility for a subsidy. Enrollees shall report changes in eligibility status as they occur.

Subd. 3. [FRAUD.] (a) Prior to July 1, 1996, if subsequent to enrollment an enrollee in the state plan is found to have provided fraudulent information, the commissioner may disenroll the enrollee, and may recover premiums not paid due to fraud.

(b) Beginning July 1, 1996, if subsequent to enrollment an enrollee in the state plan is found to have provided fraudulent information, the commissioner may disenroll the enrollee if the enrollee has sufficient, alternate coverage, but must maintain enrollment for those without alternate coverage. In all cases, the commissioner may recover premiums not paid due to fraud through the means listed in section 20, subdivision 3.

Subd. 4. [REVERIFICATION.] Eligibility for the state plan must be redetermined annually. The commissioner must use mail and other, simple means of obtaining information from enrollees, then engage in random checkups of the accuracy of information provided.

Sec. 15. [62J.21] [ENROLLMENT.]

Subdivision 1. [COVERAGE EFFECTIVE DATE.] Coverage becomes effective on the next first or 15th of a month, whichever comes first, after the commissioner transfers enrollment information to the health plan selected by the applicant. The transfer to the health

plan must occur no later than two weeks after the commissioner receives a completed application and payment of one month of premium costs.

Subd. 2. [ENROLLMENT CONFIRMATION.] No more than two weeks shall elapse between the time the commissioner receives a completed application and the applicant is notified of acceptance, rejection, or unusual delay and the reasons why. Refusal to provide a health history will not disqualify an applicant from the state plan. The commissioner shall operate a toll-free telephone service to confirm individual enrollment in the state plan. The service must be available to assist enrollees, health plans, and providers.

Sec. 16. [62J.22] [OPEN ENROLLMENT.]

The commissioner shall establish an annual open enrollment period during which enrollees must be allowed to transfer between health plans. Enrollees may not transfer between plans during other periods unless their place of residence changes and their current plan does not provide coverage in the new location.

Sec. 17. [62J.23] [PREMIUM PAYMENTS; APPLICATION.]

The premium payment procedures established in sections 18 and 19 apply to coverage purchased through the Minnesotans' health care plan by an individual or an employer. Until universal health coverage is required, failure by individuals to pay premiums shall result in cancellation of state plan coverage.

Sec. 18. [62J.24] [PAYMENTS FROM INDIVIDUALS.]

Subdivision 1. [AUTOMATIC PAYMENTS.] The commissioner shall establish an automatic premium payment system and shall require enrollees not receiving group coverage through an employer to make payments through the automatic system whenever practical. The system may include automatic payment through:

- (1) automatic bank account debiting;
- (2) automatic income withholding for employees, modeled after the system used for child support enforcement;
- (3) automatic collections through the state income tax system, including automatic deductions for employees and estimated payments for self-employed enrollees;
- (4) automatic deductions from unemployment compensation benefits; or
- (5) other methods developed by the commissioner.

Subd. 2. [MANUAL PAYMENTS.] The commissioner may allow manual payments directly from enrollees to the commissioner for enrollees:

(1) making their initial premium payment with their application form;

(2) expected to remain on the program for a short period of time;
or

(3) for whom automatic payments are impractical.

Subd. 3. [PAYMENT PERIODS.] Premiums shall be paid on a monthly basis. The commissioner shall encourage enrollees to make premium payments covering longer periods of time whenever practical.

Sec. 19. [62J.25] [EMPLOYER ENROLLMENT.]

Subdivision 1. [ENROLLMENT OF EMPLOYEES.] Employers seeking to participate in the state plan must apply to the commissioner to enroll their employees. A person enrolled under this method ceases to be covered as a member of the employer's group when employment with the employer is discontinued. The commissioner shall establish procedures to convert enrollees from group coverage to individual coverage when they cease employment with an employer who participates in the program unless the enrollee can provide evidence of coverage through a new employer or through some other plan.

Subd. 2. [COLLECTION OF PREMIUMS.] The commissioner shall require employers participating in the state plan to collect the employees' share of premiums and pay the employees' share and the employers' share directly to the commissioner.

Subd. 3. [TECHNICAL ASSISTANCE TO EMPLOYERS.] The commissioner must provide technical assistance to employers participating in the state plan. Technical assistance must be targeted to employers who do not currently offer employee health benefits or for whom technical assistance services are not readily available. The assistance must be provided at cost and may include assistance on the following:

(1) designing and establishing a health benefit program;

(2) administering state and federal continuation coverage requirements; and

(3) establishing tax-sheltered premium accounts for employees.

Sec. 20. [62J.26] [ENFORCEMENT PROCEDURES.]

Subdivision 1. [EVIDENCE OF COVERAGE REQUIRED.] The commissioner shall enforce the requirement that all state residents must maintain and show evidence of health insurance coverage.

Subd. 2. [RESTRICTION ON TERMINATING COVERAGE.] The commissioner shall prohibit an enrollee from terminating coverage in the Minnesotans' health care plan except when the enrollee provides evidence of alternative coverage.

Subd. 3. [NONPAYMENT OF PREMIUM.] (a) Prior to July 1, 1996, the commissioner may cancel an enrollee's participation in the state plan for failure to pay premiums.

(b) Beginning July 1, 1996, the commissioner may not cancel an enrollee's participation in the state plan for failure to pay premiums. The commissioner shall attempt to collect unpaid premiums through the following methods:

(1) automatic income withholding, modeled after the child support enforcement system;

(2) automatic payroll deductions; or

(3) other methods identified or developed by the commissioner.

Subd. 4. [IDENTIFICATION OF UNINSURED PERSONS.] The commissioner shall develop and implement a system to identify state residents who have not obtained health care coverage. The system may include a survey question added to driver's license applications, income tax forms, school registration forms, and other similar forms. The system may include additional methods developed by the commissioner.

Subd. 5. [PROVISION OF COVERAGE.] The commissioner shall enroll state residents identified under subdivision 4 in the state plan and collect the appropriate premium from them.

Subd. 6. [IMPLEMENTATION.] In developing procedures to implement this section, the commissioner shall consult with the attorney general.

Sec. 21. [EFFECTIVE DATES.]

Sections 2 and 20, relating to mandatory universal coverage, are effective July 1, 1996. All other sections are effective July 1, 1992.

ARTICLE 3

COVERED SERVICES
THE INTERMEDIATE BENEFIT SET

Section 1. [62J.27] [AUTHORITY TO OFFER COVERAGE.]

Health plan companies participating in the state plan are authorized to offer, sell, issue, and renew the intermediate benefit set, the intermediate benefit set parts A and B, and the supplemental benefit set subject to the terms established by the commissioner of health care access, notwithstanding any contrary provisions of this chapter, chapter 62A, 62C, 62D, or 62E, or other laws governing health coverage.

Sec. 2. [62J.28] [COVERED SERVICES: PREVENTIVE CARE.]

(a) The intermediate benefit set covers expenses for the following preventive care services for all intermediate benefit set enrollees:

(1) prenatal and postnatal care;

(2) well baby exams for children under one year of age;

(3) immunizations; and

(4) selected tests, screenings, and examinations that are demonstrated to be cost-effective components of a preventive care program, including but not limited to: Pap tests for women age 18 and older at intervals recommended by the American Cancer Society; and mammograms for women age 50 and older at intervals recommended by the American Cancer Society.

(b) The intermediate benefit set covers the following services for children, if the services are provided as part of an early and periodic screening, diagnosis, and treatment (EPSDT) regimen:

(1) routine physical exams and well child exams, including the cost of laboratory and X-ray services associated with the exam;

(2) eye exams conducted by a licensed ophthalmologist or optometrist;

(3) hearing exams; and

(4) speech exams.

Sec. 3. [62J.29] [COVERED SERVICES: PRIMARY CARE; PRESCRIPTION DRUGS; INJECTIONS; SUPPLIES.]

Subdivision 1. [PRIMARY CARE.] The intermediate benefit set covers a total of up to eight visits per year provided by primary care physicians, nurse practitioners, and physician assistants. "Visits" include office visits, home visits, and visits in a custodial facility. For the purpose of this benefit, "primary care physicians" include only general and family practitioners, internists, pediatricians, obstetricians, and gynecologists, when serving in a primary care, rather than a consultative, capacity. Additional visits are covered when they are an alternative to inpatient care. The limit on visits does not apply to children.

Subd. 2. [PRESCRIPTION DRUGS.] The intermediate benefit set covers outpatient prescription drugs ordered by an authorized prescriber, including the dispensing fee, from a formulary specified by the commissioner. Adult prescriptions are subject to a \$5 copayment. The commissioner shall establish a broader formulary for children. There is no copayment for prescriptions for children.

Subd. 3. [THERAPEUTIC INJECTIONS.] The intermediate benefit set covers therapeutic injections administered by a qualified health professional from a formulary specified by the commissioner. Therapeutic injections administered to adults are subject to a \$5 copayment. The commissioner shall establish a broader formulary for children. There is no copayment for therapeutic injections administered to children.

Subd. 4. [MEDICAL EQUIPMENT AND SUPPLIES FOR CHILDREN.] The intermediate benefit set covers the following medical equipment and supplies for children:

(1) appliances and equipment, including but not limited to orthotics, canes, crutches, glucosan, glucometers, intermittent positive pressure machines, rib belts for the treatment of an accident or illness, walkers, and wheelchairs;

(2) prosthetics and artificial parts that replace missing body parts or improve body function;

(3) one pair of eyeglasses every two years, unless more often if recommended by a qualified health professional. Contact lenses are not covered; and

(4) hearing aids.

Sec. 4. [62J.30] [COVERED SERVICES: ADDITIONAL OUTPATIENT SERVICES.]

Subdivision 1. [OUTPATIENT SPECIALIST AND THERAPY SERVICES.] The intermediate benefit set covers a total of up to eight visits and consultations per year, excluding visits as defined in section 3, subdivision 1, provided by qualified health professionals. Additional visits are covered when they are an alternative to inpatient care. The limit on visits and consultations does not apply to children.

Subd. 2. [OUTPATIENT SURGICAL SERVICES.] The intermediate benefit set covers health professional and institutional outpatient surgical services, including surgery performed in a hospital outpatient department, the office of a qualified health professional, or freestanding surgical facility. This benefit includes services by an anesthesiologist or anesthesiologist for outpatient surgeries.

Subd. 3. [RADIOLOGY AND PATHOLOGY SERVICES.] The intermediate benefit set covers radiology and pathology services performed by a hospital outpatient department or a freestanding surgical facility. This benefit also provides for professional services provided by a qualified health professional when X rays and laboratory procedures are performed in the office of a qualified health professional, a hospital outpatient department, or a freestanding surgical facility.

Subd. 4. [CARDIOVASCULAR TESTS AND PROCEDURES.] The intermediate benefit set covers therapeutic services, cardiography, cardiac catheterization, and other cardiovascular services performed or ordered by a qualified health professional.

Subd. 5. [ALLERGY TESTING AND IMMUNOTHERAPY FOR CHILDREN.] The intermediate benefit set covers professional services and materials associated with allergy testing and immunotherapy provided to children, when administered by a qualified health professional.

Subd. 6. [DIALYSIS PROCEDURES.] The intermediate benefit set covers services by a qualified health professional for dialysis treatment, including hemodialysis, peritoneal dialysis, and miscellaneous dialysis procedures.

Subd. 7. [MISCELLANEOUS TESTS AND PROCEDURES.] The intermediate benefit set covers the following additional professional services: biofeedback services, gastroenterology services, otorhinolaryngology services, vestibular functions tests, noninvasive peripheral vascular diagnostic studies, pulmonary services, neurology services, chemotherapy services, and dermatology services.

Sec. 5. [62J.31] [COVERED SERVICES: MENTAL HEALTH AND ALCOHOL OR DRUG DEPENDENCY CARE; OUTPATIENT.]

Subdivision 1. [OUTPATIENT MENTAL HEALTH.] The intermediate benefit set covers up to ten hours per year of outpatient mental health therapy by a qualified professional. Two hours of group therapy count as one hour of individual therapy. Additional hours are covered when they are an alternative to inpatient care.

Subd. 2. [OUTPATIENT ALCOHOL AND DRUG DEPENDENCY TREATMENT.] The intermediate benefit set covers up to ten hours per year of outpatient treatment of alcohol or drug dependency by a qualified health professional or outpatient treatment program. Two hours of group treatment count as one hour of individual treatment.

Sec. 6. [62J.32] [COVERED SERVICES: MATERNITY.]

Subdivision 1. [INPATIENT MATERNITY; HOSPITAL SERVICES.] The intermediate benefit set covers 80 percent of the cost of maternity inpatient care, consisting of room, board, and ancillary services. After a patient's total copayment for covered hospital services for inpatient maternity care reaches \$500 per pregnancy, the intermediate benefit set covers 100 percent of additional services. This copayment is separate from the copayment for nonmaternity inpatient care. This benefit covers vaginal and caesarean deliveries, complications of pregnancy, miscarriages, and other medically necessary services. This subdivision includes only hospital inpatient services. This subdivision does not cover neonatal care or services associated with premature birth.

Subd. 2. [OUTPATIENT MATERNITY; HOSPITAL SERVICES.] The intermediate benefit set covers outpatient treatment of miscarriages, testing procedures such as amniocentesis and ultrasound, and other medically necessary procedures. This subdivision covers only use of hospital facilities and services by hospital employees.

Subd. 3. [HEALTH PROFESSIONALS; OBSTETRICAL CARE.] The intermediate benefit set covers health professional services for vaginal and caesarean deliveries, complications of pregnancy, miscarriages, and other medically necessary procedures. This benefit includes delivery care, surgical care, and anesthesia. This benefit does not include standard prenatal and postnatal visits, which the intermediate benefit set covers as preventive care in section 2.

Subd. 4. [ABORTION SERVICES.] The intermediate benefit set covers abortion and abortion-related services only if one of the conditions in section 256B.0625, subdivision 16, is met.

Sec. 7. [62J.33] [COVERED SERVICES: CHILDREN'S DENTAL CARE.]

This benefit provides for preventive and nonpreventive services for children.

(a) The intermediate benefit set covers preventive services which include oral examinations, X rays, fluoride applications, teeth cleaning, and other laboratory and diagnostic tests.

(b) The intermediate benefit set covers 80 percent of the cost of basic nonpreventive services which include emergency treatment, space maintainers, simple extractions, surgical extractions, oral surgery, anesthesia services, restorations, periodontics, and endodontics.

(c) The intermediate benefit set covers 50 percent of the cost of major nonpreventive services which include inlays and crowns, dentures and other removable prosthetics, bridges and other fixed prosthetics, denture and bridge repair, and other prosthetics.

Sec. 8. [62J.34] [COVERED SERVICES: MENTAL HEALTH AND ALCOHOL OR DRUG DEPENDENCY CARE; INPATIENT.]

Subdivision 1. [INPATIENT MENTAL HEALTH.] The intermediate benefit set covers 80 percent of the cost of inpatient hospitalization for treatment of mental disorders. After a family's total copayment for all covered inpatient benefits, including mental health and all other categories of covered inpatient care, except maternity, exceeds \$2,500 in one calendar year, the intermediate benefit set covers 100 percent of additional services. After the intermediate benefit set has paid \$70,000 in inpatient benefits of any kind except maternity for a person within a calendar year, the intermediate benefit set will cover no further inpatient benefits, except maternity, of any kind for that person for that calendar year.

Subd. 2. [INPATIENT HEALTH PROFESSIONAL SERVICES; VISITS AND CONSULTATIONS.] The intermediate benefit set covers, subject to subdivision 1, physician services for visits, consultations, and other care provided for treatment of mental disorders on an inpatient basis at a hospital or approved extended care facility. This benefit also provides for the care of critically ill patients in a variety of settings that require the constant attention of a qualified health professional. Consultations by nonphysicians are covered if provided by appropriate health professionals.

Subd. 3. [INPATIENT ALCOHOL AND DRUG DEPENDENCY TREATMENT NOT COVERED.] The intermediate benefit set does not cover inpatient hospital treatment of alcohol or drug dependency.

Sec. 9. [62J.35] [COVERED SERVICES: EMERGENCY CARE.]

Subdivision 1. [HOSPITAL EMERGENCY ROOM.] After a \$50 copayment paid by the insured, the intermediate benefit set covers hospital or clinic services for outpatient emergency medical care

performed on an emergency basis in the emergency area of a hospital outpatient department or urgent care center, or a free-standing medical clinic that provides 24-hour emergency care. The \$50 copayment is waived if the person is admitted to a hospital within 24 hours for a condition related to the emergency care. This subdivision does not include health professional services, which are covered in subdivision 2.

Subd. 2. [HEALTH PROFESSIONALS; EMERGENCY ROOM CARE.] The intermediate benefit set covers emergency services by qualified health professionals performed in the emergency area of a hospital outpatient department or urgent care center, or a free-standing medical clinic that provides 24-hour emergency care.

Subd. 3. [AMBULANCE.] The intermediate benefit set covers 80 percent of the cost of licensed ambulance service. Ambulance service for maternity care is not covered except when medically necessary.

Sec. 10. [62J.36] [COVERED SERVICES: HOSPITAL INPATIENT AND HOME HEALTH CARE.]

Subdivision 1. [GENERAL COPAYMENT AND BENEFIT LIMIT; HOSPITALIZATION.] The intermediate benefit set covers 80 percent of the cost of general inpatient hospitalization. After a family's total copayment for all covered inpatient benefits, including mental health and all other categories of covered inpatient care, except maternity, exceeds \$2,500 in one calendar year, the intermediate benefit set covers 100 percent of additional services. After the intermediate benefit set has paid \$70,000 in inpatient benefits of any kind except maternity for a person within a calendar year, the intermediate benefit set will cover no further inpatient benefits, except maternity, of any kind for that person for that calendar year.

Subd. 2. [HOSPITAL INPATIENT SERVICES.] The intermediate benefit set covers, subject to subdivision 1, hospital services, including inpatient room, board, and ancillary services. The covered room charges are for a semiprivate room, except as otherwise provided in section 62E.06, subdivision 1, paragraph (c), clause (4). Ancillary services include use of surgical and intensive care facilities, inpatient nursing care, pathology and radiology procedures, drugs, supplies, physical therapy, and other services normally provided by hospitals. Ancillary services do not include care by health professionals, whether or not employed by the hospital. This subdivision does not include maternity and related neonatal care, alcohol and drug abuse treatment, or inpatient confinement for nursing or custodial care.

Subd. 3. [INPATIENT HEALTH PROFESSIONAL SURGERY.] The intermediate benefit set covers, subject to subdivision 1, services by surgeons, assistant surgeons, anesthesiologists, anesthesiologists, and other qualified health professionals for surgery and

related procedures, including normal presurgical and postsurgical examinations, for inpatient nonmaternity surgery.

Subd. 4. [INPATIENT HEALTH PROFESSIONAL RADIOLOGY AND PATHOLOGY.] The intermediate benefit set covers, subject to subdivision 1, services by physicians for radiology and pathology evaluation performed on an inpatient basis.

Subd. 5. [INPATIENT HEALTH PROFESSIONAL SERVICES; VISITS AND CONSULTATIONS.] The intermediate benefit set covers, subject to subdivision 1, physician services for visits, consultations, and other care provided on an inpatient basis at a hospital or approved extended care facility. This benefit also provides for the care of critically ill patients in a variety of settings that require the constant attention of the physician. Consultations by nonphysicians are covered if provided by appropriate health professionals.

Subd. 6. [EXTENDED CARE FACILITIES.] The intermediate benefit set covers, subject to subdivision 1, room, board, and ancillary services at an approved extended care facility that is the extended care unit of a hospital or an independent skilled nursing facility. This benefit covers only noncustodial care.

Subd. 7. [PRIVATE DUTY NURSING; HOME HEALTH CARE.] The intermediate benefit set covers, subject to subdivision 1, private duty nursing and home health visits by a home health professional if prescribed by the attending physician. Custodial care is not covered.

Sec. 11. [62J.37] [EXCLUDED SERVICES.]

Subdivision 1. [MEDICAL NECESSITY.] The intermediate benefit set does not cover services that are not medically necessary.

Subd. 2. [OTHER EXCLUDED SERVICES.] Regardless of medical necessity, the intermediate benefit set does not cover the following services:

(1) expenses listed under section 62E.06, subdivision 1, paragraph (c);

(2) inpatient treatment of alcoholism, chemical dependency, or drug addiction;

(3) treatment of temporomandibular joint disorder;

(4) treatment of craniomandibular disorder;

(5) orthodontia care;

- (6) experimental procedures;
- (7) custodial care;
- (8) personal comfort or beautification;
- (9) treatment for obesity;
- (10) in vitro fertilization;
- (11) artificial insemination;
- (12) reversal of voluntary sterilization; and
- (13) transsexual surgery.

Sec. 12. [62J.38] [UNIVERSAL BASIC BENEFIT SET.]

Subdivision 1. [CONTENT OF THE UNIVERSAL BASIC BENEFIT SET.] The universal basic benefit set is a uniform standard of health coverage that will be available to all Minnesotans. The commissioner shall determine the content of the universal basic benefit set, with the advice of the technology and benefits advisory committee as established in article 1, section 4. The universal basic benefit set must include:

(1) the benefits contained in the intermediate benefit set, including but not limited to full coverage for prenatal care, immunizations, and other preventive care as currently mandated for health maintenance organizations; and

(2) other health care services of demonstrated effectiveness, consistent with the following principles: (i) universal and equitable access to health care procedures and technologies; (ii) maintenance of an appropriate balance between expenditures for primary and preventive care, and expenditures for high cost cases; (iii) promotion of high quality and cost-effective health care; and (iv) adherence to budget targets.

Subd. 2. [CONVERSION TO THE UNIVERSAL BASIC BENEFIT SET.] The following changes will occur on July 1, 1996:

(1) the universal basic benefit set will replace the intermediate benefit set, part A, as the benefit set made available on a subsidized basis through the state plan;

(2) the supplemental benefit set will no longer be available through the state plan;

(3) the state plan may make available optional coverage that exceeds the universal basic benefit set;

(4) the intermediate benefit set will no longer be available in the private market;

(5) the universal basic benefit set will replace the mandated benefits currently required under chapters 60A, 62A, 62C, 62D, and 62E; and

(6) any health coverage programs sponsored by state or local government will be required to provide benefits equal to or better than the universal basic benefit set.

Sec. 13. [62J.39] [AVAILABILITY OF INTERMEDIATE BENEFIT SET.]

The intermediate benefit set is available only to individuals and to small groups containing no more than 15 employees or members. The intermediate benefit set may be offered through the state plan, and through the private market only by health plan companies participating in the state plan. Health plan companies participating in the state plan and providing dental coverage only may offer through the private market the dental care component of the intermediate benefit set or the universal basic benefit set without being required to offer the nondental components of the benefit sets.

The intermediate benefit set, part A, is available only to individuals and families who receive a state premium subsidy for participation in the state plan, under article 2, section 5. Individuals and families covered by the intermediate benefit set, part A, may purchase the intermediate benefit set, part B, at their own expense, under terms established by the commissioner.

Sec. 14. [62J.40] [MINIMUM INSURANCE BENEFIT SET.]

For all health plan companies except those governed by chapter 62D, the minimum insurance benefit set is a number two qualified plan, as defined in section 62E.06, subdivision 2. For the purposes of this requirement, actuarial equivalence must not be used. For health plan companies governed by chapter 62D, the minimum insurance benefit set is the set of benefits required under chapter 62D. Except as provided in section 13, no health coverage may be offered, sold, issued, or renewed to any Minnesota resident or to any group in Minnesota unless the coverage meets or exceeds the requirements of the minimum insurance benefit set.

Sec. 15. [62J.41] [SUPPLEMENTAL BENEFIT SET.]

The supplemental benefit set includes the benefits commonly

included in group health coverage offered by health maintenance organizations operating under chapter 62D that are not included in the intermediate benefit set. The commissioner of health shall establish, by rule, uniform provisions for the supplemental benefit set. The state plan and health plan companies participating in the state plan must make the supplemental benefit set available as an option to any individual or group covered by the intermediate benefit set, parts A and B. For groups too large to qualify for the intermediate benefit set, the intermediate benefit set combined with the supplemental benefit set will be the only benefit set available through the state plan.

Sec. 16. [MEDICARE SUPPLEMENT COVERAGE.]

The commissioner shall make arrangements for medicare supplement coverage to be offered through the state plan, subject to the managed care and other provisions of article 2.

Sec. 17. [EFFECTIVE DATE.]

Sections 1 to 16 are effective on July 1, 1992.

ARTICLE 4

RURAL HEALTH INITIATIVES

Section 1. Minnesota Statutes 1990, section 144.147, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] "Eligible rural hospital" means any nonfederal, general acute care hospital that:

(1) is either located in a rural area, as defined in the federal Medicare regulations, Code of Federal Regulations, 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;

(3) ~~has experienced net income losses in at least two of the three most recent consecutive hospital fiscal years for which audited financial information is available;~~

(4) is not for profit; and

~~(5)~~ (4) has not been awarded a grant under the federal rural health transition grant program.

Sec. 2. Minnesota Statutes 1990, section 144.147, subdivision 3, is amended to read:

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; and
- (7) the financial condition of the hospital.

Sec. 3. Minnesota Statutes 1990, section 144.147, subdivision 4, is amended to read:

Subd. 4. [ALLOCATION OF GRANTS.] (a) Eligible hospitals must apply to the commissioner no later than September 1, 1990, of each year for grants awarded in the 1991 state fiscal year; ~~and no later than September 1, 1990, for grants awarded in the 1992 state~~ for the fiscal year beginning the following July 1.

(b) ~~The commissioner may award at least 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 de-

scribe 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, organizations, 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.

Sec. 4. [144.1481] [RURAL HEALTH ADVISORY COMMITTEE.]

Subdivision 1. [ESTABLISHMENT; MEMBERSHIP.] The commissioner of health shall establish a 16-member rural health advisory committee. The committee shall consist of the following individuals, all of whom must reside outside the seven-county metropolitan area:

(1) two members from the house of representatives of the state of Minnesota, one from the majority party and one from the minority party;

(2) two members from the senate of the state of Minnesota, one from the majority party and one from the minority party;

(3) a volunteer member of an ambulance service based outside the seven-county metropolitan area;

(4) a representative of a hospital located outside the seven-county metropolitan area;

(5) a representative of a nursing home located outside the seven-county metropolitan area;

(6) a medical doctor or doctor of osteopathy licensed under chapter 147;

(7) a midlevel practitioner;

(8) a registered nurse or licensed practical nurse;

(9) a licensed health care professional from an occupation not otherwise represented on the committee;

(10) a representative of an institution of higher education located outside the seven-county metropolitan area that provides training for rural health care providers;

(11) three consumers, at least one of whom must be an advocate for persons who are mentally ill or developmentally disabled; and

(12) a representative of the Minnesota center for rural health.

The commissioner will make recommendations for committee membership. Committee members will be appointed by the governor. In making appointments, the governor shall ensure that appointments provide geographic balance among those areas of the state outside the seven-county metropolitan area. The chair of the committee shall be elected by the members. The terms, compensation, and removal of members are governed by section 15.059. The advisory committee does not expire as provided in section 15.059, subdivision 5.

Subd. 2. [DUTIES.] The advisory committee shall:

(1) advise the commissioner of health, the commissioner of human services, the office of rural health established in section 3, and other state agencies on rural health issues;

(2) provide a systematic and cohesive approach toward rural health issues and rural health care planning, at both a local and statewide level;

(3) develop and evaluate mechanisms to encourage greater cooperation among rural communities and among providers;

(4) recommend and evaluate approaches to rural health issues that are sensitive to the needs of local communities;

(5) develop methods for identifying individuals who are underserved by the rural health care system; and

(6) evaluate the Minnesotans' health care plan and recommend program changes needed to better address problems and needs in rural health care.

Subd. 3. [STAFFING; OFFICE SPACE; EQUIPMENT.] The commissioner shall provide the advisory committee with staff support, office space, and access to office equipment and services.

Sec. 5. [144.1482] [OFFICE OF RURAL HEALTH.]

Subdivision 1. [ESTABLISHMENT; FEDERAL GRANT APPLICATION.] The commissioner of health shall establish an office of rural health within the department. The commissioner shall also apply for a federal grant to establish the office of rural health, as provided under the federal Public Health Service Act, Public Law Number 101-597.

Subd. 2. [DUTIES.] (a) The office of rural health in conjunction with the medical schools at University of Minnesota-Duluth and the University of Minnesota-Minneapolis and other organizations in the state which are addressing rural health care problems shall:

(1) establish and maintain a clearinghouse for collecting and disseminating information on rural health care issues, research findings, and innovative approaches to the delivery of rural health care;

(2) coordinate the activities relating to rural health care that are carried out by the state to avoid duplication of effort;

(3) identify federal and state rural health programs and provide technical assistance to public and nonprofit entities, including community and migrant health centers, to assist them in participating in these programs;

(4) assist rural communities in improving the delivery and quality of health care in rural areas and in recruiting and retaining health professionals;

(5) work with the bureau of health care access in the department of health to provide access to health care in rural Minnesota; and

(6) carry out the duties assigned in section 6.

(b) To carry out these duties, the office may contract with or provide grants to public and private, nonprofit entities. In contracting or providing grants, the office shall give preference to public and private, nonprofit entities that have demonstrated the ability to obtain grants and donations from private foundations and organizations and the federal government.

Sec. 6. [144.1483] [RURAL HEALTH INITIATIVES.]

The commissioner of health, through the office of rural health, and consulting as necessary with the commissioner of human services, the higher education coordinating board, and other state agencies, shall:

(1) develop a detailed plan regarding the feasibility of coordinating rural health care services by organizing individual medical providers and smaller hospitals and clinics into referral networks with larger rural hospitals and clinics that provide a broader array of services. Where possible, this plan will guide the bureau of health care access as established under article 1 in contracting for health care delivery throughout Minnesota;

(2) administer the planning and transition grant program for rural hospitals established under sections 144.1465 and 144.147, and develop and administer planning and transition grant programs for health care providers and communities. Grants may be used for planning regarding the use of facilities, recruitment of health personnel, and coordination of health services;

(3) administer the program of financial assistance established under section 7 for rural hospitals in isolated areas of the state that are in danger of closing without financial assistance, and that have exhausted local sources of support;

(4) develop recommendations regarding health education and training programs in rural areas, including but not limited to a physician assistants' training program, continuing education programs for rural health care providers, and rural outreach programs for nurse practitioners within existing training programs;

(5) develop a statewide, coordinated recruitment strategy for health care personnel;

(6) develop and administer technical assistance programs to assist rural communities in: (i) planning and coordinating the delivery of local health care services; and (ii) hiring physicians, nurse practitioners, public health nurses, physician assistants, and other health personnel;

(7) study and recommend changes in the regulation of health care

personnel, such as nurse practitioners and physician assistants, related to scope of practice, the amount of on-site physician supervision, and dispensing of medication, to address rural health personnel shortages;

(8) support efforts to ensure continued funding for medical and nursing education programs that will increase the number of health professionals serving in rural areas;

(9) support efforts to secure higher reimbursement for rural health care providers from the Medicare and medical assistance programs; and

(10) carry out other activities necessary to address rural health problems.

Sec. 7. [144.1484] [RURAL HOSPITAL FINANCIAL ASSISTANCE GRANTS.]

The commissioner of health shall award financial assistance grants to rural hospitals in isolated areas of the state. To qualify for a grant, a hospital must: (1) be eligible to be classified as a sole community hospital according to the criteria in Code of Federal Regulations, title 42, section 412.92; (2) have experienced net income losses in the two most recent consecutive hospital fiscal years for which audited financial information is available; (3) consist of 20 or fewer licensed beds; and (4) have exhausted local sources of support. Before applying for a grant, the hospital must have developed a strategic plan. The commissioner shall award grants in equal amounts.

Sec. 8. [144.1485] [DATA BASE ON HEALTH PERSONNEL.]

The commissioner of health shall develop and maintain a data base on health services personnel. The commissioner shall use this information to assist local communities and units of state government to develop plans for the recruitment and retention of health personnel. Information collected in the data base must include, but is not limited to, data on levels of educational preparation, specialty, and place of employment. The commissioner may collect information through the registration and licensure systems of the state health licensing boards.

Sec. 9. Minnesota Statutes 1990, 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 in rule; and
- (7) other information required by the commissioner in rule.

Sec. 10. [SPECIAL STUDIES.]

The commissioner of health, through the office of rural health, shall conduct the following investigations:

(1) investigate, develop recommendations, and prepare a report to the legislature by January 15, 1993, regarding the use of advanced telecommunications technologies to improve rural health education and health care delivery;

(2) investigate the adequacy of access to perinatal services in rural Minnesota and report findings and recommendations to the legislature by February 1, 1993; and

(3) study the impact of current reimbursement provisions for midlevel practitioners on the use of midlevel practitioners in rural practice settings, examining reimbursement provisions in state programs, federal programs, and private sector health plans, and report findings and recommendations to the legislature by February 1, 1992.

Sec. 11. [REPORT ON RURAL HOSPITAL FINANCIAL ASSISTANCE GRANTS.]

The commissioner of health shall examine the eligibility criteria for rural hospital financial assistance grants under section 7 and

report to the legislature by February 1, 1992, on any needed modifications.

Sec. 12. [FEASIBILITY STUDY; PHYSICIAN ASSISTANT TRAINING PROGRAM.]

The office of rural health, in cooperation with the higher education coordinating board, shall conduct a feasibility study to assess the need for a physician assistant training program at the University of Minnesota-Duluth. The office of rural health shall present findings and recommendations to the legislature by January 1, 1993.

Sec. 13. [EFFECTIVE DATE.]

Section 4 creating the rural health advisory committee is effective January 15, 1992.

ARTICLE 5

HOSPITALS; EMERGENCY MEDICAL SERVICES

Section 1. Minnesota Statutes 1990, section 16A.124, subdivision 4, is amended to read:

Subd. 4. [INVOICE ERRORS.] If an invoice is incorrect, defective, or otherwise improper, the agency must notify the vendor of all errors, within ten days of discovering discovery of the error errors. Upon receiving a corrected invoice, the agency must pay the bill within the time limitation contained in subdivision 3. For purposes of this subdivision, the term "vendor" includes hospitals receiving reimbursement under the medical assistance and general assistance medical care programs.

Sec. 2. Minnesota Statutes 1990, section 43A.17, subdivision 9, is amended to read:

Subd. 9. [POLITICAL SUBDIVISION SALARY LIMIT.] The salary of a person employed by a statutory or home rule charter city, county, town, school district, metropolitan or regional agency, or other political subdivision of this state, or employed under section 422A.03, may not exceed 95 percent of the salary of the governor as set under section 15A.082, except as provided in this subdivision. Deferred compensation and payroll allocations to purchase an individual annuity contract for an employee are included in determining the employee's salary. The salary of a medical doctor or doctor of osteopathy occupying a position that the governing body of the political subdivision has determined requires an M.D. or D.O. degree is excluded from the limitation in this subdivision. The commissioner may increase the limitation in this subdivision for a

position that the commissioner has determined requires special expertise necessitating a higher salary to attract or retain a qualified person. The commissioner shall review each proposed increase giving due consideration to salary rates paid to other persons with similar responsibilities in the state. The commissioner may not increase the limitation until the commissioner has presented the proposed increase to the legislative commission on employee relations and received the commission's recommendation on it. The recommendation is advisory only. If the commission does not give its recommendation on a proposed increase within 30 days from its receipt of the proposal, the commission is deemed to have recommended approval.

Sec. 3. Minnesota Statutes 1990, section 43A.23, is amended by adding a subdivision to read:

Subd. 4. [STATE HEALTH PLAN.] The commissioner of employee relations shall provide flexibility in interpreting policies and procedures for implementing and administering the state health plan, to ensure adequate access throughout the state to the state health plan.

Sec. 4. Minnesota Statutes 1990, 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 317A, 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,

(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 reserve and depreciation funds were obtained solely from the operating revenues of the hospital or hospital district, and

(i) provide funds of up to \$50,000 per year per individual for a maximum of two years to supplement the incomes of family practice physicians, up to a maximum of \$100,000 in annual income, if the hospital or hospital district has at least \$250,000 in reserve and depreciation funds at the time of payment, and these reserve and depreciation funds were obtained solely from the operating revenues of the hospital or hospital district. expend funds, including public funds in any form, or devote the resources of the hospital or hospital district, to recruit or retain physicians whose services are necessary or desirable for meeting the health care needs of the population, and for successful performance of the hospital or hospital district's public purpose of the promotion of health. Allowable uses of funds and resources include the retirement of medical education debt, payment of one time amounts in consideration of services rendered or to be rendered, payment of recruitment expenses, payment of moving expenses, and the provision of other financial assistance necessary for the recruitment and retention of physicians, provided that the expenditures in whatever form are reasonable under the facts and circumstances of the situation.

Sec. 5. Minnesota Statutes 1990, section 144.8093, is amended to read:

144.8093 [EMERGENCY MEDICAL SERVICES FUND.]

Subdivision 1. [CITATION.] This section is the "Minnesota emergency medical services system support act."

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 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 discretionary grants for emergency medical service projects with potential regionwide significance; 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.

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 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.

Subd. 4. [DISTRIBUTION.] Money from the fund shall be distributed according to this subdivision. ~~Eighty Ninety-three and one-third percent of the fund 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 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 shall be used by the commissioner to support regionwide 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. 6. Minnesota Statutes 1990, 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;

(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; and

(23) a voluntary uncompensated worker while volunteering services as a member of a rescue squad organized under the 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. 7. Minnesota Statutes 1990, 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~~ April 1, 1988 1991,

and ~~December 31, 1990~~ the implementation date of the upgrade to the Medicaid management information system, 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 April 1, 1988~~ 1991, and ~~December 31, 1990~~ the implementation date of the upgrade to the Medicaid management information system, 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), except the per day rate shall be multiplied by a factor of 2, provided that the total of the per day rates shall not exceed the per admission rate. This methodology shall also apply 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. 8. Minnesota Statutes 1990, section 447.31, subdivision 1, is amended to read:

Subdivision 1. [RESOLUTIONS.] Any ~~four~~ two or more cities and towns, however organized, except cities of the first class, may create a hospital district. They must do so by resolutions adopted by their respective governing bodies or electors. A hospital district may be reorganized according to sections 447.31 to 447.37. Reorganization must be by resolutions adopted by the district's hospital board and the governing body or voters of each city and town in the district.

Sec. 9. Minnesota Statutes 1990, section 447.31, subdivision 3, is amended to read:

Subd. 3. [CONTENTS OF RESOLUTION.] A resolution under subdivision 1 must state that a hospital district is authorized to be created under sections 447.31 to 447.37, or that an existing hospital district is authorized to be reorganized under sections 447.31 to 447.37, in order to acquire, improve, and run hospital and nursing home facilities that the hospital board decides are necessary and expedient in accordance with sections 447.31 to 447.37. The resolution must name the ~~four~~ two or more cities or towns included in the district. The resolution must be adopted by a two-thirds majority of the members-elect of the governing body or board acting on it, or by the voters of the city or town as provided in this section.

Each resolution adopted by the governing body of a city or town must be published in its official newspaper and takes effect 40 days after publication, unless a petition for referendum on the resolution is filed with the governing body within 40 days. A petition for referendum must be signed by at least five percent of the number of voters voting at the last election of officers. If a petition is filed, the resolution does not take effect until approved by a majority of voters voting on it at a regular municipal election or a special election which the governing body may call for that purpose.

The resolution may also be initiated by petition filed with the governing body of the city or town, signed by at least ten percent of the number of voters voting at the last general election. A petition must present the text of the proposed resolution and request an election on it. If the petition is filed, the governing body shall call a special election for the purpose, to be held within 30 days after the filing of the petition, or may submit the resolution to a vote at a regular municipal election that is to be held within the 30-day period. The resolution takes effect if approved by a majority of voters voting on it at the election. Only one election shall be held within any given 12-month period upon resolutions initiated by petition. The notice of the election and the ballot used must contain the text of the resolution, followed by the question: "Shall the above resolution be approved?"

Sec. 10. [STUDY OF BASIC AND ADVANCED LIFE SUPPORT REIMBURSEMENT.]

The commissioner of human services, in consultation with the commissioner of health, shall study the mechanisms and rates of reimbursement for advanced and basic life support ambulance and special transportation service 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 ambulance service may not be denied, as well as other

issues that create impediments to reasonable and fair reimbursement. The commissioner shall report findings and offer recommendations to the legislature by February 1, 1992, on means of maximizing potential reimbursement levels.

Sec. 11. [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.

ARTICLE 6

DATA COLLECTION AND RESEARCH INITIATIVES

Section 1. [62J.42] [HEALTH CARE ANALYSIS UNIT.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of health shall establish a health care analysis unit to conduct data and research initiatives in order to improve the efficiency and effectiveness of health care in Minnesota.

Subd. 2. [GENERAL DUTIES; IMPLEMENTATION DATE.] The health care analysis unit shall:

(1) conduct applied research using existing and newly established health care data bases, and promote applications based on existing research;

(2) establish the condition-specific data base required under section 2;

(3) develop and implement data collection procedures to ensure a high level of cooperation from health care providers and health plans;

(4) provide technical assistance as needed to the department of health;

(5) periodically evaluate the state's existing health care financing and delivery programs;

(6) regularly prepare estimates, specific to Minnesota, of total health service expenditures and sources of payment;

(7) participate as a partner or sponsor of private sector initiatives that promote publicly disseminated applied research on health care delivery, outcomes, costs, quality, and management;

(8) conduct periodic surveys, including those required by section 4; and

(9) provide technical assistance to health plan and health care purchasers, as required by section 5.

Subd. 3. [CRITERIA FOR UNIT INITIATIVES.] Data and research initiatives by the health care analysis unit must:

(1) serve the needs of the general public, public sector health care programs, employers and other purchasers of health care, health care providers, including providers serving large numbers of low-income people, and health plan companies;

(2) promote a significantly accelerated pace of publicly disseminated, applied research on health care delivery, outcomes, costs, quality, and management;

(3) conduct research and promote health care applications based on scientifically sound and statistically valid methods;

(4) be statewide in scope, in order to benefit health care purchasers and providers in all parts of Minnesota and to ensure a broad and representative data base for research, comparisons, and applications;

(5) emphasize data that is useful, relevant, and nonredundant of existing data. The initiatives may duplicate existing private activities, if this is necessary to ensure that the data collected will be in the public domain;

(6) be structured to minimize the administrative burden on health plans, health care providers, and the health care delivery system; and

(7) promote continuous improvement in the efficiency and effectiveness of health care delivery.

Subd. 4. [CRITERIA FOR PUBLIC SECTOR HEALTH CARE PROGRAMS.] Data and research initiatives related to public sector health care programs must:

(1) assist the state's current health care financing and delivery programs to deliver and purchase health care in a manner that promotes improvements in health care efficiency and effectiveness;

(2) assist the state in its public health activities, including the analysis of disease prevalence and trends and the development of public health responses;

(3) assist the state in developing and refining its overall health policy, including policy related to health care costs, quality, access, and outcomes research; and

(4) provide a data source that allows the evaluation of state health care financing and delivery programs.

Subd. 5. [DATA COLLECTION PROCEDURES.] The health care analysis unit shall collect data from health care providers, health plan companies, and individuals in the most cost-effective manner, which does not unduly burden providers. The unit may require health care providers and health plan companies to collect and provide patient health data, provide mailing lists of patients, and cooperate in other ways with the data collection process. The health care analysis unit may assign, or require health care providers and health plan companies to assign, a unique identification number to each patient to safeguard patient identity.

Subd. 6. [DATA CLASSIFICATION.] (a) Data collected through the large-scale data base initiatives of the health care analysis unit required by sections 2 and 3 are classified as private data on individuals and may be disclosed only to: employees of the department of health working on unit initiatives; researchers affiliated with university research centers or departments, who are conducting research on health outcomes and practice parameters; researchers working under contract with the department of health; and individuals purchasing health care services for health plan companies and groups.

(b) Data collected through the survey research initiatives of the health care analysis unit required by section 4 are classified as public data under section 13.03, except that any patient or enrollee identifying information is private data.

(c) Summary data derived from data collected through the large-scale data base and survey research initiatives of the health care analysis unit may be provided under section 13.05, subdivision 7, and may be released in studies produced by the bureau of health care access.

Subd. 7. [DATA COLLECTION ADVISORY COMMITTEE.] The commissioner shall convene a 15 member data collection advisory

committee consisting of health service researchers, health care providers, health plan company representatives, representatives of businesses that purchase health coverage, and consumers. The advisory committee shall evaluate methods of data collection and shall recommend to the commissioner methods of data collection that minimize administrative burdens, address data privacy concerns, and meet the needs of health service researchers. The advisory committee is governed by section 15.059.

Subd. 8. [FEDERAL AND OTHER GRANTS.] The commissioner of health shall seek federal funding, and funding from private and other non-state sources, for the initiatives of the health care analysis unit.

Sec. 2. [62J.43] [LARGE-SCALE DATA BASE.]

Subdivision 1. [ESTABLISHMENT.] The health care analysis unit shall establish a large-scale data base for a limited number of health conditions. This initiative must meet the requirements of this section.

Subd. 2. [SPECIFIC HEALTH CONDITIONS.] (a) The data must be collected for specific health conditions, rather than specific procedures, types of health care providers, or services. The health care analysis unit shall designate up to eight specific health conditions for which data shall be collected during the first year of operation. For subsequent years, data may be collected for up to six additional specific health conditions. The number of specific conditions for which data is collected is subject to the availability of appropriations.

(b) The initiative must emphasize conditions that account for significant total costs, when considering both the frequency of a condition and the unit cost of treatment. The initial emphasis must be on the study of conditions commonly treated in hospitals on an inpatient or outpatient basis, or in freestanding outpatient surgical centers. As improved data collection and evaluation techniques are incorporated, this emphasis shall be expanded to include entire episodes of care for a given condition, whether or not treatment includes use of a hospital or a freestanding outpatient surgical center.

Subd. 3. [INFORMATION TO BE COLLECTED.] The data collected must include information on health outcomes, including information on mortality, morbidity, patient functional status and quality of life, symptoms, and patient satisfaction. The data collected must include information necessary to measure and make adjustments for differences in the severity of patient condition across different health care providers, and may include data obtained directly from the patient or from patient medical records. The data must be collected in a manner that allows comparisons to be

made between providers, health plan companies, public programs, and other entities.

Subd. 4. [DATA COLLECTION AND REVIEW.] Data collection for any one condition must continue for a sufficient time to permit: adequate analysis by researchers and appropriate providers, including providers who will be impacted by the data; feedback to providers; and monitoring for changes in practice patterns. The health care analysis unit shall annually review all specific health conditions for which data is being collected, in order to determine if data collection for that condition should be continued.

Subd. 5. [USE OF EXISTING DATA BASES.] (a) The health care analysis unit shall negotiate with private sector organizations currently collecting data on specific health conditions of interest to the unit, in order to obtain required data in a cost-effective manner and minimize administrative costs. The unit shall attempt to establish linkages between the large scale data base established by the unit and existing private sector data bases and shall consider and implement methods to streamline data collection in order to reduce public and private sector administrative costs.

(b) The health care analysis unit shall use existing public sector data bases, such as those existing for medical assistance and Medicare, to the greatest extent possible. The unit shall establish linkages between existing public sector data bases and consider and implement methods to streamline public sector data collection in order to reduce public and private sector administrative costs.

Sec. 3. [62J.44] [ANALYSIS AND USE OF DATA COLLECTED THROUGH THE LARGE-SCALE DATA BASE.]

Subdivision 1. [DATA ANALYSIS.] The health care analysis unit shall analyze the data collected on specific health conditions using existing practice parameters and newly researched practice parameters, including those established through the medical effectiveness studies of the federal government. The unit may use the data collected to develop new practice parameters, if development and refinement is based upon input from and analysis by practitioners, particularly those practitioners knowledgeable about and impacted by practice parameters. The unit may also refine existing practice parameters, and may encourage or coordinate private sector research efforts designed to develop or refine practice parameters.

Subd. 2. [EDUCATIONAL EFFORTS.] The health care analysis unit shall maintain and improve the quality of health care in Minnesota by providing practitioners in the state with information about practice parameters. The unit shall promote, support, and disseminate parameters for specific, appropriate conditions, and the research findings on which these parameters are based, to all

practitioners in the state who diagnose or treat the medical condition.

Subd. 3. [PEER REVIEWS.] The unit may require peer reviews for specific medical conditions for which medical practice in all or part of the state deviates from practice parameters. The unit may also require peer reviews for specific medical conditions for which there are large variations in treatment method or frequency of treatment in all or part of the state. Peer reviews may be required for all medical practitioners statewide, or limited to medical practitioners in specific areas of the state. The peer reviews shall determine if the procedures conducted by medical practitioners are medically necessary and appropriate, and within acceptable and prevailing practice parameters that have been disseminated by the health care analysis unit in conjunction with the appropriate professional organizations. If a medical practitioner's practice style does not change and the practitioner continues to perform procedures that are medically inappropriate, even after educational efforts by the review panel, the panel may report the practitioner to the appropriate professional licensing board.

Subd. 4. [PEER REVIEW ADVISORY COMMITTEE.] The commissioner shall convene a 15 member peer review advisory committee comprised of representatives of health care professional organizations, health licensing boards, and organizations such as the Foundation for Health Care Evaluation that conduct peer reviews. The advisory committee shall present recommendations for legislation to the health care analysis unit by January 1, 1992. These recommendations must address issues related to the establishment and composition of peer review panels, and the procedures to be followed by peer review panels. The advisory committee is governed by section 15.059.

Sec. 4. [62J.45] [SURVEY RESEARCH.]

The health care analysis unit shall conduct periodic surveys to accomplish the data and research goals listed in section 1. These surveys shall include, but are not limited to:

(1) surveys of enrollee satisfaction with health plans and health care providers;

(2) surveys to monitor changes over time in financial and geographic access and sources of health coverage;

(3) surveys of health service prices, especially for services less commonly covered by health insurance, or for which patients commonly face significant out-of-pocket expenses;

(4) surveys of health plan prices, especially for health plans sold on a community-rated or table-rated basis; and

(5) surveys of new procedures and treatments performed by health care providers, as a basis for considering changes in the benefits provided by state health coverage programs.

Sec. 5. [62J.46] [TECHNICAL ASSISTANCE FOR PURCHASERS.]

The health care analysis unit shall provide technical assistance to health plan and health care purchasers. The unit shall collect information about:

(1) premiums, benefit levels, managed care procedures, health care outcomes, and other features of popular health plans and health plan companies; and

(2) prices, outcomes, provider experience, and other information for services less commonly covered by insurance or for which patients commonly face significant out-of-pocket expenses.

The commissioner shall publicize this information in an easily understandable format.

Sec. 6. Minnesota Statutes 1990, section 145.61, subdivision 5, is amended to read:

Subd. 5. "Review organization" means a nonprofit organization acting according to clause (k) or a committee whose membership is limited to professionals and administrative staff, except where otherwise provided for by state or federal law, and which is established by a hospital, by a clinic, by one or more state or local associations of professionals, by an organization of professionals from a particular area or medical institution, by a health maintenance organization as defined in chapter 62D, by a nonprofit health service plan corporation as defined in chapter 62C, by a professional standards review organization established pursuant to United States Code, title 42, section 1320c-1 et seq., or by a medical review agent established to meet the requirements of section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b), or by the department of human services, to gather and review information relating to the care and treatment of patients for the purposes of:

(a) evaluating and improving the quality of health care rendered in the area or medical institution;

(b) reducing morbidity or mortality;

(c) obtaining and disseminating statistics and information relative to the treatment and prevention of diseases, illness and injuries;

(d) developing and publishing guidelines showing the norms of health care in the area or medical institution;

(e) developing and publishing guidelines designed to keep within reasonable bounds the cost of health care;

(f) reviewing the quality or cost of health care services provided to enrollees of health maintenance organizations;

(g) acting as a professional standards review organization pursuant to United States Code, title 42, section 1320c-1 et seq.;

(h) determining whether a professional shall be granted staff privileges in a medical institution or whether a professional's staff privileges should be limited, suspended or revoked;

(i) reviewing, ruling on, or advising on controversies, disputes or questions between:

(1) health insurance carriers or health maintenance organizations and their insureds or enrollees;

(2) professional licensing boards acting under their powers including disciplinary, license revocation or suspension procedures and health providers licensed by them when the matter is referred to a review committee by the professional licensing board;

(3) professionals and their patients concerning diagnosis, treatment or care, or the charges or fees therefor;

(4) professionals and health insurance carriers or health maintenance organizations concerning a charge or fee for health care services provided to an insured or enrollee;

(5) professionals or their patients and the federal, state, or local government, or agencies thereof;

(j) providing underwriting assistance in connection with professional liability insurance coverage applied for or obtained by dentists, or providing assistance to underwriters in evaluating claims against dentists;

(k) acting as a medical review agent under section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b); ~~or~~

(l) providing recommendations on the medical necessity of a

health service, or the relevant prevailing community standard for a health service; or

(m) reviewing a provider's professional practice as requested by the health care analysis unit under section 3.

Sec. 7. Minnesota Statutes 1990, section 145.64, is amended to read:

145.64 [CONFIDENTIALITY OF RECORDS OF REVIEW ORGANIZATION.]

Subdivision 1. [DATA AND INFORMATION.] All data and information acquired by a review organization, in the exercise of its duties and functions, shall be held in confidence, shall not be disclosed to anyone except to the extent necessary to carry out one or more of the purposes of the review organization, and shall not be subject to subpoena or discovery. No person described in section 145.63 shall disclose what transpired at a meeting of a review organization except to the extent necessary to carry out one or more of the purposes of a review organization. The proceedings and records of a review organization shall not be subject to discovery or introduction into evidence in any civil action against a professional arising out of the matter or matters which are the subject of consideration by the review organization. Information, documents or records otherwise available from original sources shall not be immune from discovery or use in any civil action merely because they were presented during proceedings of a review organization, nor shall any person who testified before a review organization or who is a member of it be prevented from testifying as to matters within the person's knowledge, but a witness cannot be asked about the witness' testimony before a review organization or opinions formed by the witness as a result of its hearings. ~~The provisions of this section shall not apply to a review organization of the type described in section 145.61, subdivision 5, clause (h).~~

Subd. 2. [PROVIDER DATA.] The restrictions in subdivision 1 shall not apply to judicial proceedings in which a health care provider contests the denial, restriction, or termination of clinical privileges by a health care facility. However, any data so disclosed in such proceedings shall not be admissible in any other judicial proceeding.

Sec. 8. [STUDY OF ADMINISTRATIVE COSTS.]

The health care analysis unit shall study costs and requirements incurred by health plan companies and health care providers that are related to the collection and submission of information to the state and federal government, insurers, and other third parties. The unit shall recommend to the commissioner by January 1, 1993, any

reforms that may reduce these costs without compromising the purposes for which the information is collected.

Sec. 9. [STUDY OF OUTCOMES-BASED PILOT PROJECT.]

The health care analysis unit shall examine the feasibility of establishing a pilot project to implement, administer, and evaluate an outcomes-based model of health care management that incorporates practice guidelines. The unit shall present recommendations to the commissioner by January 1, 1992.

ARTICLE 7

HEALTH INSURANCE REFORM

Section 1. [62A.135] [NONCOMPREHENSIVE POLICIES; MINIMUM LOSS RATIOS.]

(a) This section applies to individual or group policies, certificates, or other evidence of coverage designed primarily to provide coverage for hospital or medical expenses on a per diem, fixed indemnity, or nonexpense incurred basis offered, issued, or renewed, to provide coverage after August 1, 1991, to a Minnesota resident.

(b) Notwithstanding section 62A.02, subdivision 3, relating to loss ratios, policies must return to Minnesota policyholders in the form of aggregate benefits under the policy, for each year, on the basis of incurred claims experience and earned premiums in Minnesota and in accordance with accepted actuarial principles and practices:

(1) at least 75 percent of the aggregate amount of premiums collected in the case of group policies; and

(2) at least 65 percent of the aggregate amount of premiums collected in the case of individual policies.

(c) Noncomprehensive policies subject to the provisions of this section are also subject to the requirements, penalties, and remedies applicable to Medicare supplement policies, as set forth in section 62A.36, subdivisions 1a, 1b, and 2.

The first supplement to the annual statement required to be filed pursuant to this paragraph must be for the annual statement required to be submitted on or after January 1, 1992.

Sec. 2. [62J.51] [PROVISION OF COVERAGE.]

No health plan company may deny an application for health coverage submitted to it by an individual, small group, or medium-

sized group, if the health plan company offers, sells, issues, or renews health coverage to entities of the same category as the entity that submitted the application. This section does not apply to Medicare supplemental coverage.

Sec. 3. [62J.52] [CANCELLATION.]

No health plan company may cancel or fail to renew health coverage that it provides to an individual, small group, or medium-sized group, except for nonpayment of a legally permitted premium or copayment, fraud or misrepresentation, noncompliance with plan provisions, or failure to maintain legally permitted participation requirements. This section does not apply to Medicare supplemental coverage.

Sec. 4. [62J.53] [PREEXISTING CONDITIONS.]

Subdivision 1. [BASIC COVERAGE.] No health plan company may limit basic coverage provided to an individual, small group, or medium-sized group on the basis of the past or present health status of any person, except as allowed by this section. For purposes of this requirement, "basic coverage" means the minimum insurance benefit set or the intermediate benefit set, parts A and B. On and after July 1, 1996, a health plan company may not exclude or limit basic coverage for pre-existing conditions. Prior to July 1, 1996, a health plan company may not exclude but may limit basic coverage of pre-existing conditions to a total benefit of \$3,000 per person for the first 12 months of coverage. This total benefit of \$3,000 is based upon coverage providing benefits equivalent to those commonly included in group health coverage offered by health maintenance organizations operating under chapter 62D. The commissioner of commerce shall adopt rules specifying an actuarially equivalent total benefit limitation that may be used with other levels of health coverage. A health plan company may not apply a pre-existing condition limitation if the person enrolled in new health coverage after having other health coverage, including medical assistance under chapter 256B or general assistance medical care under chapter 256D, that would have covered the condition, so long as coverage for the condition was continuous. An unexpired pre-existing condition limitation period under previous coverage may be applied under the person's new health coverage until it would have expired if the person had not switched coverage.

Subd. 2. [OPTIONAL COVERAGE.] If a person covered by basic coverage purchases or otherwise becomes covered by optional coverage, the health plan company providing the optional coverage may exclude or limit coverage under the optional coverage for pre-existing conditions for the first year of the optional coverage. This one-year pre-existing condition exclusion or limitation must not be used if the person purchases the optional coverage when the person initially enrolls in the state plan or if the condition would

have been covered by the person's previous coverage that was continuously in force. For purposes of this section, "optional coverage" means any coverage in excess of the minimum insurance benefit set or the intermediate benefit set.

Subd. 3. [MEDICARE SUPPLEMENTAL COVERAGE; NONAPPLICABILITY.] This section does not apply to Medicare supplemental coverage.

Sec. 5. [62J.54] [LEVEL COMMISSIONS.]

No health plan company may pay commissions or other compensation to an agent or broker, with respect to the sale of health coverage, unless payment of the commissions is spread evenly over a period of at least five years from the date of purchase of the coverage.

Sec. 6. [62J.55] [COMMUNITY RATING REQUIRED.]

Subdivision 1. [COMMUNITY RATING.] No health plan company may offer, sell, issue, or renew health coverage to any individual or small group, unless the premium charged for the coverage is community rated. If the health plan company participates in the state plan, the community rate charged in the private market for a plan with the same set of benefits must equal the rate charged in the state plan. Health plan companies must use the following rate cells only: (1) one person; (2) a two-person family; and (3) a family of three or more persons, and health plan companies may charge a different rate for each cell.

Subd. 2. [LIMITATIONS.] Under community rating, the rate charged may not take into account the age, sex, health status, disability, occupation, geographical location, or any other factor except the following:

(1) actuarially valid differences in benefit levels, assuming average utilization rates;

(2) differences in family size, except that family members in excess of three must be disregarded;

(3) actual differences in acquisition and administration costs between individuals as a whole and small groups as a whole; and

(4) premium reductions of no more than four percent for individuals or small groups that engage in activities or practices intended to promote the health of the covered persons.

Subd. 3. [PHASE-IN PERIOD.] No later than July 1, 1992, each health plan company that offers, sells, issues or renews health

coverage for individuals or small groups in this state must determine and file with the commissioner of commerce a single base community rate. This rate may include adjustments permitted by subdivisions 1 and 2. This rate and the adjustments may be changed by the health plan company at any time except as otherwise limited by the commissioner of commerce. From July 1, 1992 until June 30, 1993, each health plan company may offer premium rates to particular individuals or small groups that are no more than 30 percent above and no more than 30 percent below the base community rate, as adjusted as permitted in subdivisions 1 and 2. Beginning July 1, 1993, the maximum permitted percentage deviation from the base community rate as adjusted is 20 percent. Beginning July 1, 1994, the maximum permitted percentage deviation from the base community rate as adjusted is ten percent. Beginning July 1, 1995, no deviation from the base community rate as adjusted is permitted. Coverage purchased at a premium rate permitted on the date of purchase, but subsequently no longer permitted under this section, may remain in effect at that premium rate for a period not to exceed one year from date of purchase.

Subd. 4. [MEDICARE SUPPLEMENTAL COVERAGE.] This section does not apply to Medicare supplemental coverage, except as provided in section 8.

Sec. 7. [62J.56] [COMPENSATION OF AGENTS.]

Subdivision 1. [COMPENSATION; PRIVATE MARKET.] No health plan company shall, with respect to health coverage provided in the private market:

(1) make the amount of its compensation of an agent, broker, or employee depend in any way, directly or indirectly, upon the loss ratio or any other underwriting performance of health coverage written through the agent, broker, or employee; or

(2) cancel, terminate, or fail to renew an agency, brokerage, or employment contract or arrangement, or reduce or restrict underwriting authority on the basis of the loss ratio, or any other underwriting performance of health coverage written through an agent, broker, or employee.

Subd. 2. [COMPENSATION; STATE PLAN.] No health plan company shall, with respect to health coverage provided through the state plan, pay agent commissions. The commissioner may contract with insurance agents and brokers for outreach and enrollment services to the new state plan for set fees.

Sec. 8. [62J.57] [MEDICARE SUPPLEMENTAL COVERAGE.]

Subdivision 1. [COMMUNITY RATING.] Health plan companies

that sell Medicare supplemental coverage must establish a separate community rate, as described in section 6, for that coverage. The community rate must be the same in the private market as in the state plan, for health plan companies that sell that coverage through the state plan. Beginning July 1, 1992, no Medicare supplemental coverage may be offered, issued, or sold to a Minnesota resident except at the community rate required by this section.

Subd. 2. [OPEN ENROLLMENT.] Health plan companies offering Medicare supplement coverage through either the private market or the state plan, or both, must offer such coverage on an open enrollment basis without requiring health screening or other measures of insurability, to any individual applying for coverage within six months of initial eligibility for Medicare Part B.

Subd. 3. [OTHER REGULATION.] The requirements of this section are in addition to any requirements applicable to Medicare supplemental plans contained in chapter 62A.

Sec. 9. [62J.58] [BIASED SELECTION ADJUSTMENT.]

Subdivision 1. [REPORT.] Each health plan company must annually provide the commissioner of health with a report of the number of males and females that it covered in the individual and small group market for the past calendar year, together with data showing the age distribution of the covered persons, separately for males and females. A person covered by that company for only a portion of the year counts on a pro rata basis, based upon the closest whole number of months during which that person was covered. For each age-sex combination, the total cost incurred must be shown. Data must be shown separately for Medicare supplemental coverage and for coverage provided through the state plan and through the private market.

Subd. 2. [ASSESSMENTS AND PAYMENTS.] Each company must pay an assessment or receive a reimbursement, based upon the extent to which that company's age-sex distribution of covered persons differs from the statewide average for the entire individual and small group market. The commissioner of health shall adopt rules specifying a procedure including the creation of a formula for determining the amount of the reimbursement or assessment with respect to individual companies. The rules for determining the amounts of reimbursements to and assessments on individual health plan companies must take into account differences in coverage levels, reinsurance pool premiums, and managed care activities that affect costs. Health plan companies whose inefficient managed care activities result in higher costs must not be compensated for those higher costs by this biased selection adjustment. The commissioner shall implement the formula by rule before any health plans are liable for payments under this biased selection adjustment provision.

Subd. 3. [IMPACT ON SMALL EMPLOYERS.] The commissioner shall design the formula in such a way that it does not become a cost burden to small employers who purchase coverage in the private market.

Subd. 4. [TRUST FUND.] Payment of assessments must be made to the commissioner of health and maintained in a separate trust fund, out of which the reimbursements required by this section will be paid. Reimbursements will be made only out of this trust fund and only to the extent of assessments received. Any shortfall in assessment payments received results in pro rata adjustments in reimbursements made to health plan companies, to be compensated for in subsequent years from subsequent assessments.

Sec. 10. [62J.59] [MEDIUM-SIZED GROUPS.]

Each health plan company that offers, sells, issues, or renews health coverage for medium-sized groups in this state must determine a single base community rate for medium-sized groups. The base community rate may be adjusted to reflect differences in benefit levels or other product differences. Each health plan company participating in the medium-sized group market may offer premium rates to particular medium-sized groups that are no more than 30 percent above and no more than 30 percent below that base community rate. These premium differences may be based upon any underwriting criteria permitted by law. No health plan company may increase the premium it charges to a medium-sized group for which it provides coverage if the increase would exceed the increase in that health plan company's base community rate plus 15 percent per year. Each health plan company must provide the commissioner of commerce with a detailed description of its rating methodology, including actuarial justifications for its base community rate and for premiums that deviate from it, except that health plan companies operating under chapter 62D must provide the descriptions and justifications to the commissioner of health.

Sec. 11. [62J.60] [MINIMUM LOSS RATIOS.]

All health coverage sold by health plan companies in this state must have loss ratios no lower than those to be specified by rule by the commissioner of health for health plan companies operating under chapter 62D and by the commissioner of commerce for all other health plan companies. The minimum loss ratios may differ between the individual, small group, medium-sized group, and large group market. The commissioners shall adopt rules to establish the minimum loss ratios. This section does not apply to types of coverage for which minimum loss ratios are established by statute.

Sec. 12. [62J.62] [REINSURANCE POOL.]

(a) All health plan companies selling health coverage to individ-

uals, small groups, or medium-sized groups in this state, including coverage provided through the state plan, must participate in the Minnesota health reinsurance pool. The commissioner of health shall administer this reinsurance pool, which must provide reinsurance to participating health plan companies for:

(1) 85 percent of costs incurred for any case, to the extent that the costs of care exceed \$30,000;

(2) 85 percent of costs incurred for any case assigned to the reinsurance pool pursuant to section 13; and

(3) 100 percent of costs in excess of \$100,000 incurred for any case.

(b) For the purposes of paragraph (a), clause (2), a case qualifies for reinsurance coverage if a specific patient receives \$30,000 or more in covered services for a specific cause or spell of illness in a period of 12 or fewer consecutive months. The reinsurance benefit period continues until the end of 12 consecutive months in which the patient receives less than \$10,000 in covered services for that cause or spell of illness.

Sec. 13. [62J.63] [AUTOMATIC ASSIGNMENT TO REINSURANCE POOL.]

With respect to health plan coverage of individuals, small groups, or medium-sized groups in this state, all cases that involve a high probability of incurring costs that exceed \$30,000 for a specific cause or spell of illness during a 12-month period shall be called "presumptive conditions." The commissioner of health shall adopt rules specifying a list of presumptive conditions. Persons having presumptive conditions at the time of initial enrollment must be assigned to the reinsurance pool by the commissioner of health upon receipt of a request from the health plan company insuring that person, together with any documentation reasonably required by the commissioner.

Sec. 14. [62J.64] [CASE MANAGEMENT FOR REINSURANCE POOL.]

The commissioner of health shall contract for case management services designed to provide cost-effective treatment of cases assigned to the reinsurance pool.

Sec. 15. [62J.65] [REINSURANCE POOL PREMIUMS.]

Each health plan company participating in the Minnesota health reinsurance pool must pay premiums for the reinsurance coverage in the amounts and at the times specified by the commissioner of health. The reinsurance premiums must be determined on a com-

munity-rated basis, except that adjustments must be made to reflect differences in managed care systems. Health plan companies providing only dental care or other limited coverage must be charged reinsurance premiums that reflect the expected cost to the reinsurance pool attributable to that category of limited coverage. The premiums must include the cost of administering the reinsurance pool. Premiums charged for the first 12 months of the pool's existence must include all start-up costs.

Sec. 16. [62J.66] [ENFORCEMENT AUTHORITY.]

The commissioner of commerce and commissioner of health have the responsibility and authority to enforce sections 1 to 8, 10, and 11, with respect to the health plan companies that they respectively regulate, and have all of the powers otherwise granted to them by statute for use in carrying out their respective responsibilities under this chapter.

Sec. 17. [DEPARTMENT OF COMMERCE STUDY.]

The department of commerce shall review the adequacy of reserves of companies selling noncomprehensive policies subject to Minnesota Statutes, section 62A.135 and the earnings generated from the investment of the premium dollars paid for these policies. The department shall also review the loss ratios of all accident and health policies sold in Minnesota and the appropriateness of these loss ratios in light of operating expenses, reserves, paid claims, and other relevant factors. The reviews under this section shall be treated as an examination for purposes of applying the requirements of Minnesota Statutes, section 60A.031.

The department shall report the results of its review to the chairs of the house financial institutions and insurance committee and the senate commerce committee by January 1, 1992.

Sec. 18. [REINSURANCE POOL TASK FORCE.]

The commissioner of health shall convene a task force comprised of representatives of health plan companies, selected by the commissioner of health, and staff of the departments of health and commerce, designated by the respective commissioners. The task force shall, no later than January 1, 1992, make written recommendations to the commissioner of health and to the chairs of the house committee on financial institutions and insurance and of the senate commerce committee as to the operation of the mandatory reinsurance pool required by Minnesota Statutes, section 62J.62.

Sec. 19. [MEDICARE SUPPLEMENTAL COMMUNITY RATING STUDY.]

The department of commerce shall study the possible effects of community rating on Medicare supplemental coverage enrollees and shall report its findings and any recommendations, no later than January 1, 1992, to the chairs of the house committee on financial institutions and insurance and of the senate commerce committee. The study and report must consider the effects on premiums charged to different types of enrollees, the effects on enrollment, and the effects on average premium levels.

Sec. 20. [EFFECTIVE DATE.]

Sections 2 to 16 are effective July 1, 1992, except that all rulemaking authority granted in sections 2 to 16 is effective the day following final enactment. Sections 17 to 19 are effective the day following final enactment.

ARTICLE 8

SMALL EMPLOYER HEALTH BENEFITS

Section 1. [62K.01] [CITATION AND PURPOSE.]

Subdivision 1. [CITATION.] This chapter may be cited as the "small employer health benefit act of 1991."

Subd. 2. [FINDINGS.] The legislature finds that a significant number of uninsured residents of the state of Minnesota are employed by small employers. Small employers may be unable to purchase affordable health coverage because of the application of mandated benefits to all health plan products and the historical underwriting and rating practices applied by health carriers to small employer groups. The legislature believes that access to health insurance may improve for small employers if specific rating and underwriting restrictions, in conjunction with the use of a reinsurance pool, are imposed on all health carriers doing business in the small employer market, if health carriers are permitted to offer a limited benefit plan, and if a systematic review of proposed new benefits is required.

Subd. 3. [PURPOSE.] The purpose of this chapter is to promote the availability of health insurance to small employers; to impose certain restrictions on the underwriting and rating of small employer groups; to improve access to health care services to the employees of small employers and their dependents; to establish a reinsurance pool to enable health carriers to more equitably spread the risk of loss associated with small employer business; and to provide for the systematic review of the social and financial impacts of proposed mandated benefits.

Subd. 4. [JURISDICTION.] This chapter applies to any health

carrier that offers, issues, delivers, or renews a health benefit plan to one or more employees of a small employer.

Sec. 2. [62K.02] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of this chapter, the terms defined in this section have the meanings given them unless the language or the context clearly indicates otherwise.

Subd. 2. [ACTUARIAL OPINION.] "Actuarial opinion" means a written statement by a member of the American Academy of Actuaries that a health carrier is in compliance with this chapter, based on the person's examination, including a review of the appropriate records and of the actuarial assumptions and methods utilized by the health carrier in establishing premium rates for health benefit plans.

Subd. 3. [APPROPRIATE COMMITTEE CHAIRS.] "Appropriate committee chairs" means the chairs of the house health and human services committee, the house financial institutions and insurance committee, the senate commerce committee, and the senate health and human services committee.

Subd. 4. [ASSOCIATION.] "Association" means the small employer reinsurance association created by section 62K.10.

Subd. 5. [BASE PREMIUM RATE.] "Base premium rate" means for each class of business as to a rating period, the lowest premium rate charged or which could have been charged under a rating system for that class of business by the health carrier to small employers with similar case characteristics for health benefit plans with the same or similar coverage.

Subd. 6. [BOARD OF DIRECTORS.] "Board of directors" means the board of directors of the small employer reinsurance association created by section 62K.10.

Subd. 7. [CASE CHARACTERISTICS.] "Case characteristics" means the relevant characteristics of a small employer, as determined by a health carrier, which are considered by the carrier in the determination of premium rates for the small employer. Such relevant characteristics include, but are not limited to, geographic area, employer group size, benefit differences, and family composition. Age, sex, claims experience, health status, and industry of the employer and duration of issue are not case characteristics for the purposes of this chapter.

Subd. 8. [CLASS OF BUSINESS.] "Class of business" means all of the small employer business of a health carrier as shown on the

records of the health carrier except that a health carrier may establish a distinct grouping of small employers:

(1) if a class of business was acquired from another health carrier;

(2) if the class of business relies on substantially different managed care requirements, including but not limited to the use of limited provider networks, prior authorization, concurrent review, discharge planning, and case management;

(3) if the class of business is marketed and sold through persons not participating in the sale of health benefit plans to other distinct groupings of small employers; or

(4) if the class of business is provided through an association of not less than 100 employers which has been formed for purposes other than obtaining insurance.

The commissioner may approve the establishment of additional classes of business upon application to the commissioner and a finding by the commissioner that such action would enhance the efficiency and fairness of the small employer market.

Subd. 9. [COINSURANCE.] "Coinsurance" means an established dollar amount or percentage of health care expenses that an eligible employee or dependent is required to pay directly to a provider of medical services or supplies pursuant to the terms of a health benefit plan.

Subd. 10. [COMMISSIONER.] "Commissioner" means the commissioner of commerce for plans governed by chapter 62A or 62C or the commissioner of health for health maintenance organizations governed by chapter 62D, or the relevant commissioner's designated representative.

Subd. 11. [CONTINUOUS COVERAGE.] "Continuous coverage" means the maintenance of continuous and uninterrupted health plan coverage by an eligible employee or dependent. An eligible employee or dependent shall be deemed to have maintained continuous coverage if the individual requests enrollment in a health benefit plan within 30 days of termination of the prior health plan coverage.

Subd. 12. [DEDUCTIBLE.] "Deductible" means the amount of health care expenses an eligible employee or dependent is required to incur before benefits are payable under a health benefit plan.

Subd. 13. [DEMOGRAPHIC COMPOSITION.] "Demographic composition" means the age and sex characteristics of eligible employees, the family composition of eligible employees, and the

standard age categories used by a health carrier to establish premiums.

Subd. 14. [DEPARTMENT.] “Department” means the department of commerce or the department of health, as applicable.

Subd. 15. [DEPENDENT.] “Dependent” means an eligible employee’s spouse, unmarried child who is under the age of 19 years, dependent child who is a student under the age of 25 years and financially dependent upon the eligible employee, or dependent child of any age who is disabled, subject to the applicable terms of the health benefit plan issued by the health carrier.

Subd. 16. [DURATION OF ISSUE.] “Duration of issue” means a rate factor used to justify higher rates which incorporated the length of time a group is covered by a health carrier, but which does not incorporate claims experience or health status.

Subd. 17. [ELIGIBLE CHARGES.] “Eligible charges” means the actual charges submitted to a health carrier by or on behalf of a provider, eligible employee, or dependent for health services covered by the carrier’s health benefit plan. Eligible charges do not include charges for health services excluded by the health benefit plan or charges for which an alternate carrier is liable pursuant to the coordination of benefit provisions of the health benefit plan.

Subd. 18. [ELIGIBLE EMPLOYEE.] “Eligible employee” means an individual employed by a small employer for at least 20 hours per week on a regular basis and who has satisfied all employer participation and eligibility requirements, including but not limited to the satisfactory completion of a probationary period of not less than 30 days. A late entrant is not an eligible employee.

Subd. 19. [FINANCIALLY IMPAIRED CONDITION.] “Financially impaired condition” means a health carrier which is not insolvent and (1) is deemed by the commissioner to be potentially unable to fulfill its contractual obligations, or (2) is placed under an order of rehabilitation or conservation by a court of competent jurisdiction.

Subd. 20. [HEALTH BENEFIT PLAN.] “Health benefit plan” means any policy, contract, or certificate issued by a health carrier to a small employer for the coverage of medical and hospital benefits. Health benefit plan includes a small employer plan as defined in subdivision 33. The term does not include coverage that is:

- (1) limited to disability or income protection coverage;
- (2) automobile medical payment coverage;

- (3) supplemental to liability insurance;
- (4) designed solely to provide payments on a per diem, fixed indemnity or nonexpense-incurred basis;
- (5) credit accident and health insurance issued pursuant to chapter 62B;
- (6) designed solely to provide dental or vision care;
- (7) blanket accident and sickness insurance as defined in section 62A.11;
- (8) accident only coverage issued by a licensed and tested insurance agent or solicitors that provides reasonable benefits in relation to the cost of covered services;
- (9) long-term care insurance as defined in section 62A.46; or
- (10) issued as a supplement to Medicare, as defined in sections 62A.31 to 62A.44.

For the purpose of this act, a health benefit plan issued to employees of a small employer who meets the participation requirements of section 62K.03 shall be deemed to have been issued to a small employer. A health benefit plan issued on behalf of a health carrier shall be deemed to be issued by the health carrier.

Subd. 21. [HEALTH CARRIER.] “Health carrier” means an insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insurance as defined in section 62A.01; a health service plan licensed under chapter 62C; a health maintenance organization licensed under chapter 62D; a fraternal benefit society operating under chapter 64B; a joint self-insurance employee health plan operating under chapter 62H; and a multiple employer welfare arrangement, as defined in section 3 of the Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, section 1103, as amended.

For the purpose of this act companies that are affiliated companies or that are eligible to file a consolidated tax return shall be treated as one carrier except that any insurance company or health service plan corporation that is an affiliate of a health maintenance organization located in Minnesota or any health maintenance organization located in Minnesota that is an affiliate of an insurance company or health service plan corporation may treat the health maintenance organization as a separate health carrier.

Subd. 22. [HEALTH PLAN.] “Health plan” means a health benefit plan issued by a health carrier:

(1) to a small employer;

(2) to any employer who does not satisfy the definition of a small employer as set forth in subdivision 31; or

(3) to any individual purchasing an individual or conversion policy of health care coverage issued by a health carrier.

Subd. 23. [INDEX RATE.] "Index rate" means for each class of business as to a rating period for small employers with similar case characteristics, the arithmetic average of the applicable base premium rate and the corresponding highest premium rate.

Subd. 24. [LATE ENTRANT.] "Late entrant" means an eligible employee or dependent who is not enrolled in a small employer's health benefit plan. Late entrants may be subject to a preexisting condition limitation or exclusion from coverage for up to 18 months from the effective date of coverage of the late entrant. An otherwise eligible employee or dependent shall not be a late entrant if:

(1) the individual was covered by another group health plan at the time the individual was eligible to enroll in a health benefit plan, declined enrollment on that basis, and presents to a health carrier a certificate of termination of such coverage, provided that the individual maintains continuous coverage;

(2) the individual has lost coverage under another group health plan due to the expiration of benefits available under the Consolidated Omnibus Budget Reconciliation Act of 1981 (COBRA), Public Law Number 99-272, as amended, and any state continuation laws applicable to the employer or health carrier, provided that the individual maintains continuous coverage;

(3) the individual is a new spouse of an eligible employee, provided that enrollment is requested within 30 days of the date of marriage; or

(4) the individual is a new dependent child of an eligible employee, provided that enrollment is requested within 30 days of the date of birth or adoption.

Subd. 25. [MANDATED BENEFIT OR ELIGIBILITY.] "Mandated benefit or eligibility" means a health plan benefit or eligibility required by state law to be included in a health plan offered or issued by a health carrier that requires the coverage of or the offer of coverage of specific diseases, conditions, treatments, services, or persons, or the direct reimbursement of services rendered by specific types of health care providers.

Subd. 26. [MCHA.] "MCHA" means the Minnesota comprehensive health association established pursuant to section 62E.10.

Subd. 27. [MEDICAL NECESSITY.] "Medical necessity" means the appropriate and necessary medical and hospital services eligible for payment under a health benefit plan as determined by a health carrier.

Subd. 28. [MEMBERS.] "Members" means the health carriers operating in the small employer market who are members of the association.

Subd. 29. [PREEXISTING CONDITION.] "Preexisting condition" means any condition manifesting in such a manner as would cause an ordinarily prudent person to seek medical advice, diagnosis, care, or treatment or for which medical advice, diagnosis, care, or treatment was recommended or received during the six months immediately preceding the effective date of coverage, or as to a pregnancy existing as of the effective date of coverage of a health benefit plan.

Subd. 30. [RATING PERIOD.] "Rating period" means the 12 month or prorated calendar period for which premium rates established by a health carrier are assumed to be in effect, as determined by the health carrier.

Subd. 31. [SMALL EMPLOYER.] "Small employer" means any person, firm, corporation, partnership, association, or other entity actively engaged in business who, on at least 50 percent of its working days during the preceding calendar year, employed no less than two nor more than 15 eligible employees. If a small employer has only two eligible employees, the employees must not be the spouse, child, sibling, parent, or grandparent of the other. Entities which are eligible to file a combined tax return for purposes of state tax laws shall be considered a single employer for purposes of determining the number of eligible employees. Small employer status shall be determined on an annual basis as of the renewal date of the health benefit plan. The provisions of this act shall continue to apply to an employer who no longer meets the requirements of this definition until the annual renewal date of the employer's health benefit plan.

Subd. 32. [SMALL EMPLOYER MARKET.] "Small employer market" means the market for group health benefit plans for small employers. A health carrier shall be considered to be participating in the small employer market if the health carrier offers, sells, issues, or renews a health plan to any small employer or the eligible employees of a small employer offering a group health benefit plan.

Subd. 33. [SMALL EMPLOYER PLAN.] "Small employer plan" means a health benefit plan issued by a health carrier to a small

employer for coverage of the medical and hospital benefits described in section 62K.05.

Subd. 34. [TRANSITION PERIOD.] "Transition period" means July 1, 1992, through June 30, 1993.

Sec. 3. [62K.03] [PARTICIPATION REQUIREMENTS.]

Subdivision 1. [CARRIER PARTICIPATION.] Every health carrier shall, as a condition of authority to transact business in this state in the small employer market, offer, sell, issue, and renew any health benefit plan to small employers in accordance with this chapter. Beginning during the transition period, as defined in section 62K.02, subdivision 34, every health carrier participating in the small employer market shall make available a health benefit plan to small employers and shall fully comply with the underwriting and rate restrictions set forth in this chapter. A health carrier may cease to transact business in the small employer market pursuant to section 62K.09.

Subd. 2. [EXCEPTION TO CARRIER PARTICIPATION.] A health carrier transacting business in the small employer market shall not be required to offer a health benefit plan to small employers pursuant to this chapter if the commissioner finds that such offer would place the health carrier in a financially impaired condition. A health carrier which does not offer a health benefit plan to small employers pursuant to this subdivision shall not offer a health benefit plan to small employers for 180 days following a determination by the commissioner that the health carrier has ceased to be in a financially impaired condition.

Subd. 3. [EMPLOYER PARTICIPATION.] Health carriers shall require that:

(1) 75 percent of a small employer's eligible employees who have not waived coverage participate in any health benefit plan offered, sold, issued, or renewed by the health carrier; and

(2) small employers contribute a minimum of 50 percent of the premium charged by the health carrier for coverage of an eligible employee.

Subd. 4. [UNDERWRITING RESTRICTIONS.] Health carriers may apply underwriting restrictions to coverage for health benefit plans for small employers, including any preexisting condition limitations, only as expressly permitted by this chapter. Health carriers may collect information relating to the case characteristics and demographic composition of small employers, as well as health status and health history information about employees of small employers. Except as hereinafter permitted with respect to late

entrants, preexisting conditions may be excluded by a health carrier for a period not to exceed 12 months from the effective date of coverage of an eligible employee's or dependent's health benefit plan. When calculating a preexisting condition limitation, a health carrier shall credit the time period an eligible employee or dependent was previously covered by another health benefit plan, provided that the individual maintains continuous coverage. Late entrants may be subject to a preexisting condition limitation not to exceed 18 months from the effective date of coverage of the late entrant. Late entrants may also be excluded from coverage for a period not to exceed 18 months, provided that if a health carrier imposes an exclusion from coverage and a preexisting condition limitation, the combined time period for both the coverage exclusion and preexisting condition limitation shall not exceed 18 months.

Subd. 5. [CANCELLATIONS.] No health carrier shall cancel, decline to issue, or fail to renew a health benefit plan as a result of the claim experience or health status of the small employer group; provided, however, that a health carrier may cancel, decline to issue, or fail to renew a health benefit plan:

(1) for nonpayment of the required premium or contributions toward premiums by the small employer or eligible employee;

(2) for fraud or misrepresentation by the small employer, eligible employee, or dependent with respect to their eligibility for coverage or any other material fact;

(3) if eligible employee participation during the preceding calendar year declines to less than 75 percent;

(4) for failure of an employer to comply with the health carrier's premium contribution requirements;

(5) if a health carrier ceases to do business in the small employer market pursuant to section 62K.09;

(6) for any other reasons or grounds expressly permitted by the respective licensing laws and regulations governing a health carrier, including but not limited to any service area restrictions imposed on health maintenance organizations pursuant to section 62D.03, subdivision 4, paragraph (m), and insufficient provider network capacity, as determined by the commissioner, to the extent that these grounds are not expressly inconsistent with this chapter.

Subd. 6. [MCHA ENROLLEES.] Health carriers shall offer coverage to any eligible employee or dependent enrolled in MCHA at the time of the health carrier's issuance of a health benefit plan to a small employer. MCHA enrollees shall be offered the option: (a) to be enrolled in the small employer's health benefit plan as of the first

date of renewal of a health benefit plan occurring on or after July 1, 1992, or, in the case of a new group, as of the initial effective date of the health benefit plan; or (b) to continue to be enrolled in MCHA. If the MCHA enrollee chooses to remain in MCHA, the employer must (a) pay the difference between the deductible paid by other employees for the group coverage and the deductible paid by the MCHA enrollee for the comprehensive health insurance plan; (b) pay the difference between the coinsurance paid by other employees under the group health plan and the MCHA enrollee under the comprehensive insurance plan; and (c) ensure that the MCHA enrollee does not pay more in premium contribution and out-of-pocket maximums for coverage under the MCHA coverage than the largest contribution toward premium and out-of-pocket maximums paid by any other employee receiving health care coverage through the same employer. Unless otherwise permitted by this act, health carriers shall not impose any underwriting restrictions, including any preexisting condition limitations on any eligible employee or dependent previously enrolled in MCHA and transferred to a health benefit plan so long as continuous coverage is maintained.

Sec. 4. [62K.04] [TRANSITION PERIOD.]

Subdivision 1. [APPLICABILITY OF CHAPTER REQUIREMENTS.] During the transition period, as defined in section 62K.02, subdivision 34, health carriers participating in the small employer market shall offer and make available a health benefit plan to small employers who satisfy the small employer participation requirements specified in section 62K.03, subdivision 3, and shall comply with the underwriting, rating, and other requirements set forth in sections 62K.03 to 62K.09. Compliance with these requirements is required as of the first renewal date of any small employer group occurring during the transition period. For new small employer business, compliance is required as of the first date of offering occurring during the transition period.

Subd. 2. [NEW CARRIERS.] A health carrier entering the small employer market after the transition period, as defined in section 62K.02, subdivision 34, shall begin complying with this chapter during the 365-day period beginning with the health carrier's initial offer, issue, or delivery of a health benefit plan to a small employer or an eligible employee of a small employer. Compliance with this chapter's requirements is required as of the first date of offering of a health benefit plan to a small employer. A health carrier entering the small employer market after the transition period shall be deemed to be a member of the small employer reinsurance association established by section 62K.10 as of the date of the health carrier's initial offer of a health benefit plan to a small employer.

Sec. 5. [62K.05] [SMALL EMPLOYER PLAN BENEFITS.]

Subdivision 1. [BENEFIT DESIGN.] The minimum benefits of a

small employer plan offered by a health carrier shall be equal to 80 percent of the cost of health care services covered under the small employer plan, in excess of an annual deductible which shall not exceed \$500 per individual and \$1,000 per family. Each small employer offered a small employer plan must be offered a plan that has an annual deductible of \$100 per individual and a plan that has an annual deductible of \$250 per individual. Coinsurance and deductibles shall not apply to child health supervision services and prenatal services, as defined by section 62A.047.

Out-of-pocket costs for covered services shall not exceed \$3,000 per individual and \$6,000 per family per year. The maximum lifetime benefit shall not be less than \$500,000.

Subd. 2. [MINIMUM BENEFITS.] The medical services and supplies listed in this subdivision are the minimum benefits that must be covered by a small employer plan:

(1) inpatient and outpatient hospital services, excluding services provided for the diagnosis, care or treatment of chemical dependency or a mental illness or condition, other than those conditions specified in clauses (10), (11), and (12);

(2) physician services for the diagnosis or treatment of illnesses, injuries, or conditions;

(3) diagnostic X rays and laboratory tests;

(4) ground transportation provided by a licensed ambulance service to the nearest facility qualified to treat the condition, or as otherwise required by the health carrier;

(5) services of a home health agency if the services qualify as reimbursable services under Medicare and are directed by a physician or qualify as reimbursable under the health carrier's most commonly sold health plan for insured group coverage;

(6) services of a private duty registered nurse if medically necessary, as determined by the health carrier;

(7) the rental or purchase, as appropriate, of durable medical equipment, other than eyeglasses and hearing aids;

(8) child health supervision services up to age 18, as defined in section 62A.047;

(9) maternity and prenatal care services as defined in section 62A.047;

(10) inpatient hospital and outpatient services for the diagnosis and treatment of certain mental illnesses or conditions, as defined by the International Classification of Diseases-Clinical Modification (ICD-9-CM), seventh edition (1990) and as classified as ICD-9 codes 295 to 299;

(11) up to ten hours per year of outpatient mental health diagnosis or treatment for illnesses or conditions not described in clause (10);

(12) up to 60 hours per year of outpatient treatment of chemical dependency;

(13) 50 percent of the cost of prescription drugs, up to a separate annual maximum out-of-pocket expense of \$1,000 per individual for prescription drugs, and 100 percent of the cost thereafter; and

(14) chiropractic services for the diagnosis or treatment of illnesses, injuries, or conditions within the chiropractic scope of practice as defined in section 148.01. Examination by, or referral from, a medical physician shall not be a condition of receipt of chiropractic care under this subdivision.

Subd. 3. [ADDITIONAL BENEFITS.] Health carriers may offer small employers additional benefits not listed in this section, so long as all requirements of this chapter are met.

Subd. 4. [BENEFIT EXCLUSIONS.] No medical, hospital, or other health care benefits, services, supplies, or articles not expressly set forth in subdivision 2 are required to be included in a health benefit plan. Nothing in subdivision 2 shall restrict the right of a health carrier to restrict coverage to those services which are medically necessary. Health carriers may exclude any benefit, service, supply, or article not expressly set forth in subdivision 2 from a health benefit plan.

Subd. 5. [CONTINUATION COVERAGE.] Health benefit plans must include only the continuation of coverage provisions required by the Consolidated Omnibus Reconciliation Act of 1981 (COBRA), Public Law Number 99-272, as amended.

Subd. 6. [DEPENDENT COVERAGE.] Other state law and rules applicable to health plan coverage of newborn infants, dependent children who do not reside with the eligible employee, handicapped children, and dependents and adopted children shall apply to a health benefit plan, provided, however, that section 62A.151 shall not apply to a health benefit plan issued to small employers.

Subd. 7. [MEDICAL EXPENSE REIMBURSEMENT.] Health carriers may reimburse or pay for medical services provided pursuant to a health benefit plan in accordance with the health carrier's

provided contract requirements including but not limited to salaried arrangements, capitation, the payment of usual and customary charges, fee schedules, discounts from fee-for-service, per diems, diagnostic-related groups (DRGs), and other payment arrangements. Nothing in this chapter requires a health carrier to develop, implement, or change its provider contract requirements for a health benefit plan. Coinsurance, deductibles, out-of-pocket maximums, and maximum lifetime benefits must be calculated and determined in accordance with each health carrier's standard business practices.

Subd. 8. [PLAN DESIGN.] Notwithstanding any other law, regulation, or administrative interpretation to the contrary, health carriers may offer a health benefit plan through any provider arrangement, including but not limited to the use of open, closed, or limited provider networks. The provider networks offered by any health carrier may be specifically designed for the small employer market and may be modified at the carrier's election so long as any necessary regulatory requirements are met. Health carriers shall use professionally recognized provider standards of practice when they are available, and may use any utilization management practices otherwise permitted by law, including but not limited to second surgical opinions, prior authorization, concurrent and retrospective review, referral authorizations, case management and discharge planning. A health carrier may contract with groups of providers with respect to health care services or benefits, and may negotiate with providers regarding the level or method of reimbursement provided for services rendered under a health benefit plan.

Subd. 9. [ACTUARIALLY EQUIVALENT HMO PLAN PERMITTED.] Health maintenance organizations regulated under chapter 62D may offer and make available a small employer plan that differs from the plan set forth in subdivisions 1 and 2. This alternative small employer plan must be actuarially equivalent to the minimum benefits set forth in subdivisions 1 and 2, but must be more similar to the structure of benefits customarily provided by health maintenance organizations. The commissioner of health shall adopt rules specifying the minimum set of benefits required by this subdivision.

Sec. 6. [62K.06] [DISCLOSURE OF UNDERWRITING RATING PRACTICES.]

When offering or renewing a health benefit plan, health carriers shall disclose in all solicitation and sales materials:

(1) the case characteristic factors used to determine initial and renewal rates;

(2) the extent to which premium rates for a small employer are

established or adjusted based upon actual or expected variation in claim experience;

(3) provisions concerning the health carrier's right to change premium rates and the factors other than claim experience that affect changes in premium rates;

(4) a description of the class of business in which a small employer is or will be included, including the applicable grouping of plan;

(5) provisions relating to renewability of coverage;

(6) the use and effect of any preexisting condition provisions, if permitted; and

(7) the use of any provider network arrangements and effect on eligibility for benefits.

Sec. 7. [62K.07] [SMALL EMPLOYER REQUIREMENTS.]

Subdivision 1. [VERIFICATION OF ELIGIBILITY.] A small employer purchasing a health benefit plan shall maintain information verifying the continuing eligibility of the employer, its employees, and their dependents and shall provide such information to its health carrier on a quarterly basis or as reasonably requested by the health carrier.

Subd. 2. [WAIVERS.] A small employer participating in a health benefit plan shall maintain written documentation of a waiver of coverage by an eligible employee or dependent and shall provide such documentation to the health carrier upon reasonable request.

Sec. 8. [62K.08] [RESTRICTIONS RELATING TO PREMIUM RATES.]

Subdivision 1. [RATE RESTRICTIONS.] Premium rates for all health benefit plans sold or issued to small employers shall be subject to the following restrictions:

(a) [INDEX RATE.] Between classes of business, the index rate for a rating period for any class of business must not exceed the index rate for any other class of business by more than 20 percent, adjusted pro rata for periods less than one year. In the case of health benefit plans issued prior to the effective date of this act, which meet the definition of section 62K.02, subdivision 20, a premium rate for a rating period, adjusted pro rata for rating periods of less than a year, may exceed the ranges set forth in section 8 for a period of five years following the effective date of this act.

(b) [PREMIUM VARIATIONS.] Within a class of business, the premium rates charged during a rating period to small employers with similar case characteristics for the same or similar coverage, or the rates which could be charged to such employers under the rating system for that class of business, shall be limited to the index rate, plus or minus 30 percent of the index rate, adjusted pro rata for rating periods of less than one year.

(c) [ANNUAL PREMIUM INCREASE.] The percentage increases in the premium rate charged to a small employer for a new rating period may not exceed the sum of the following:

(1) the percentage change in the index rate measured from the first day of the prior rating period to the first day of the new rating period;

(2) an adjustment, not to exceed 15 percent annually and adjusted pro rata for rating periods of less than one year, due to the claims experience, health status, or duration of issue of the eligible employees or dependents of the small employer as determined from the health carrier's rate manual for the class of business; and

(3) any adjustment due to change in coverage, demographic composition, or change in the case characteristics of the small employer as determined from the health carrier's rate manual for the class of business.

Subd. 2. [INVOLUNTARY TRANSFERS PROHIBITED.] A health carrier shall not involuntarily transfer a small employer into or out of a class of business. A health carrier shall not offer to transfer a small employer into or out of a class of business unless such offer is made to transfer all small employers in the class of business without regard to case characteristics, age, sex, claim experience, health status, industry of the employer, or duration of issue.

Sec. 9. [62K.09] [CESSATION OF SMALL EMPLOYER BUSINESS.]

Subdivision 1. [NOTICE TO COMMISSIONER.] A health carrier electing to cease doing business in the small employer market shall notify the commissioner 180 days prior to the effective date of the cessation. The cessation of business does not include the following activities:

(1) the elimination of a class of business by a health carrier so long as other classes of business are maintained;

(2) the failure of a health carrier to offer or issue new business in the small employer market or continue an existing product line,

provided that a health carrier does not terminate, cancel, or fail to renew its current small employer business or other product lines; and

(3) the inability of any health carrier to offer or renew a health benefit plan because it has given notice to the commissioner that it will not have the capacity within a specific provider site under contract to or owned by the health carrier to adequately deliver services to the enrollees, insureds or subscribers of health benefit plans. Any health carrier which ceases to offer a particular provider site to the small employer market must also cease to offer that provider site to new groups other than small employers for any of its products.

Subd. 2. [NOTICE TO EMPLOYERS.] A health carrier electing to cease doing business in the small employer market shall provide 120 days' written notice to each small employer covered by a health benefit plan issued by the health carrier. Any health carrier that ceases to write new business in the small employer market shall continue to be governed by this act with respect to continuing small employer business conducted by the carrier.

Subd. 3. [REENTRY PROHIBITION.] A health carrier that ceases to do business in the small employer market after the effective date of this act shall be prohibited from writing new business in the small employer market in this state for a period of five years from the date of notice to the commissioner. This subdivision shall apply to any health maintenance organization that ceases to do business in the small employer market in one service area with respect to that service area only.

Sec. 10. [62K.10] [REINSURANCE ASSOCIATION.]

Subdivision 1. [NONPROFIT CORPORATION.] The small employer reinsurance association is a nonprofit corporation.

Subd. 2. [PURPOSE.] The association is established to provide for the fair and equitable transfer of risk associated with participation by a health carrier in the small employer market to a private reinsurance pool created and maintained by the association. The participation by a health carrier in the reinsurance pool is voluntary.

Subd. 3. [TASK FORCE.] The commissioner shall establish an 11 member task force to develop the rules of participation in, and operating guidelines for, the reinsurance pool. Nine members shall represent health carriers. The commissioner shall appoint these nine members as follows: three members must be representatives of insurance companies licensed under chapter 60A to offer, sell or issue a policy of accident and sickness insurance; three members must be representatives of nonprofit health service plan corpora-

tions regulated under chapter 62C; and three members must be representatives of health maintenance organizations regulated under chapter 62D. In selecting task force members who represent insurance companies licensed under chapter 60A, the commissioner shall give preference to carriers with larger shares of the small employer market and to carriers domiciled in Minnesota. The commissioners of commerce and health shall serve as ex officio members of the task force.

Subd. 4. [APPOINTMENT.] The commissioner shall appoint the members of the task force no later than June 15, 1991.

Subd. 5. [REPORT.] The task force shall report to the legislature on its recommendations for operation of the reinsurance association no later than January 15, 1992. The report must include recommendations regarding the transfer of risk to the association, assessments, board composition, and operation of the association. The report must include recommendations regarding statutory changes necessary for implementation of the reinsurance association by July 1, 1992.

Sec. 11. [62K.11] [SUPERVISION BY COMMISSIONER.]

Subdivision 1. [REPORTS.] Health carriers doing business in the small employer market shall file by April 1 of each year an annual actuarial opinion with the commissioner certifying that the health carrier is in compliance with the underwriting and rating requirements of this chapter and that the rating methods used by the carrier are actuarially sound. Health carriers shall retain a copy of such opinion at their principal place of business.

Subd. 2. [RECORDS.] Health carriers doing business in the small employer market shall maintain at their principal place of business a complete and detailed description of their rating practices, including information and documentation which demonstrate that a health carrier's rating methods and practices are based upon commonly accepted actuarial assumptions and are in accordance with sound actuarial principles.

Subd. 3. [SUBMISSIONS TO COMMISSIONER.] The commissioner may request information and documentation from a health carrier describing its rating practices and renewal underwriting practices, including information and documentation that demonstrates that a health carrier's rating methods and practices are in accordance with sound actuarial principles. Any information received by the commissioner pursuant to this subdivision is nonpublic data pursuant to section 13.37.

Sec. 12. [62K.12] [PENALTIES AND ENFORCEMENT.]

The commissioner may suspend or revoke a health carrier's license or certificate of authority or impose a monetary penalty not to exceed \$25,000 for each violation of this chapter. Such action shall be by order and subject to the notice, hearing, and appeal procedures set forth in section 60A.051. The action of the commissioner shall be subject to judicial review pursuant to chapter 14.

Sec. 13. [62K.13] [PROHIBITED PRACTICES.]

Subdivision 1. [PROHIBITION ON ISSUANCE OF INDIVIDUAL POLICIES.] Health carriers operating in the small employer market shall not offer, issue, or renew an individual policy, subscriber contract, or certificate to any eligible employee or dependent of a small employer who satisfies the employer participation requirements set forth in section 62K.03, subdivision 3, except as permitted in subdivision 2.

Subd. 2. [EXCEPTIONS.] (a) Health carriers may sell, issue, or renew individual conversion policies to eligible employees and dependents otherwise eligible for conversion coverage pursuant to section 62D.104 as a result of leaving a health maintenance organization's service area.

(b) Health carriers may sell, issue, or renew individual conversion policies to eligible employees and dependents otherwise eligible for conversion coverage as a result of the expiration of any continuation of group coverage required under sections 62A.146, 62A.17, 62A.21, 62C.142, 62D.101, and 62D.105.

(c) Health carriers may voluntarily offer conversion policies under section 62E.17 to eligible employees.

(d) Health carriers may sell, issue or renew individual continuation policies to eligible employees as required under section 62K.05.

Subd. 3. [SALE OF OTHER PRODUCTS.] A health carrier shall not condition the offer, sale, issuance, or renewal of a health benefit plan on the purchase by a small employer of other insurance products offered by the health carrier or a subsidiary or affiliate of the health carrier, including but not limited to life, disability, property, and general liability insurance. This prohibition shall not apply to indemnity benefits offered as a supplement to a health maintenance organization plan to provide coverage to enrollees for health care services and supplies received from providers who are not employed by, under contract with, or otherwise affiliated with the health maintenance organization.

Sec. 14. [DEPARTMENT OF COMMERCE STUDY.]

The commissioner of commerce shall study the effects of Minne-

sota Statutes, chapter 62K, and shall report its findings and recommendations to the legislature no later than January 15, 1994. The commissioner of health shall cooperate and assist as needed in this study, with respect to the effects on the market for health maintenance organization coverage. The study shall determine whether the findings set forth in Minnesota Statutes, section 62K.01, subdivision 2 are correct and whether chapter 62K has achieved the purpose set forth in Minnesota Statutes, section 62K.01, subdivision 3. The study shall assist the legislature in determining whether chapter 62K should continue after June 30, 1994, and if so, what changes, if any, should be made in chapter 62K or other related statutes.

Sec. 15. [REPEALER.]

Sections 1 to 13 are repealed effective June 30, 1994.

Sec. 16. [EFFECTIVE DATE.]

Sections 1 to 14 are effective July 1, 1992, except that subdivisions 3, 4, and 5 of section 10 are effective the day following final enactment. All rulemaking authority granted by this article is effective the day following final enactment.

ARTICLE 9

HEALTH PROFESSIONAL EDUCATION

Section 1. Minnesota Statutes 1990, section 136A.1355, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] To be eligible to participate in the program, a prospective physician must 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 who is accepted must sign a contract to agree to serve at least three of the first five years following residency in a designated rural area.

Sec. 2. Minnesota Statutes 1990, section 136A.1355, subdivision 3, is amended to read:

Subd. 3. [LOAN FORGIVENESS.] Prior to June 30, 1991, the higher education coordinating board may accept up to eight applicants who are fourth year medical students, up to eight applicants who are first year residents, and up to eight applicants who are second year residents for participation in the loan forgiveness program. For the period July 1, 1991 through June 30, 1995, the higher education coordinating board may accept up to eight applicants who are fourth year medical students per fiscal year for

participation in the loan forgiveness program. Applicants are responsible for securing their own loans. Applicants chosen to participate in the loan forgiveness program may designate for each year of medical school, up to a maximum of four years, 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 four 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.

Sec. 3. [136A.1356] [MIDLEVEL PRACTITIONER EDUCATION ACCOUNT.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following definitions apply:

(a) "Designated rural area" means a Minnesota community that:

(1) is outside a ten-mile radius of a ranally area;

(2) has more than 2,000 persons per physician, including seasonal variation; and

(3) has notified the higher education coordinating board of its need for a physician or nurse for the community.

For purposes of this definition, "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 other communities significantly depends on the central city or cities.

(b) "Midlevel practitioner" means a nurse practitioner, nurse-midwife, nurse anesthetist, advanced clinical nurse specialist, or physician assistant.

(c) "Nurse-midwife" means a registered nurse who has graduated from a program of study designed to prepare registered nurses for advance practice as nurse-midwives.

(d) "Nurse practitioner" means a registered nurse who has graduated from a program of study designed to prepare registered nurses for advance practice as nurse practitioners.

(e) "Physician assistant" means a person meeting the definition in Minnesota Rules, part 5600.2600, subpart 11.

Subd. 2. [CREATION OF ACCOUNT.] A midlevel practitioner education account is established. The higher education coordinating board shall use money from the account to establish a loan forgiveness program for midlevel practitioners agreeing to practice in designated rural areas.

Subd. 3. [ELIGIBILITY.] To be eligible to participate in the program, a prospective midlevel practitioner must submit a letter of interest to the higher education coordinating board prior to or while attending a program of study designed to prepare the individual for service as a midlevel practitioner. Before completing the first year of this program, a midlevel practitioner must sign a contract to agree to serve at least two of the first four years following graduation from the program in a designated rural area.

Subd. 4. [LOAN FORGIVENESS.] The higher education coordinating board may accept up to eight applicants per year for participation in the loan forgiveness program. Applicants are responsible for securing their own loans. Applicants chosen to participate in the loan forgiveness program may designate for each year of midlevel practitioner study, up to a maximum of two years, an agreed amount, not to exceed \$7,000, as a qualified loan. For each year that a participant serves as a midlevel practitioner in a designated rural area, up to a maximum of four years, the higher education coordinating board shall annually repay an amount equal to one-half a qualified loan and the interest accrued on one-half a qualified loan. 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 service commitment required under subdivision 4 for full repayment of all qualified loans, the higher education coordinating board shall collect from the participant 100 percent of any payments made for qualified loans and interest, plus a penalty of 50 percent of the amount paid. The higher education coordinating board shall deposit the money collected in the midlevel practitioner education account. The board shall allow waivers of all or part of the money owed the board if emergency circumstances prevented fulfillment of the required service commitment.

Sec. 4. [144A.70] [EDUCATION ACCOUNT FOR NURSES WHO AGREE TO PRACTICE IN A NURSING HOME OR INTERMEDIATE CARE FACILITY FOR PERSONS WITH MENTAL RETARDATION AND RELATED CONDITIONS.]

Subdivision 1. [CREATION OF THE ACCOUNT.] An education account in the general fund is established for a loan forgiveness program for nurses who agree to practice nursing in a nursing home or intermediate facility for persons with mental retardation and related conditions. The account consists of money appropriated by

the legislature and repayments and penalties collected under subdivision 4. Money from the account must be used for a loan forgiveness program.

Subd. 2. [ELIGIBILITY.] To be eligible to participate in the loan forgiveness program, a person planning to enroll in a program of study designed to prepare the person to become a registered nurse or licensed practical nurse must submit a letter of interest to the commissioner before enrolling in the nursing education program. Before completing the first year of study, the applicant must sign a contract in which the applicant agrees to practice nursing for at least one of the first two years following completion of the nursing education program providing nursing services in a licensed nursing home or intermediate care facility for persons with mental retardation and related conditions.

Subd. 3. [LOAN FORGIVENESS.] The commissioner may accept up to ten applicants a year. Applicants are responsible for securing their own loans. For each year of nursing education, for up to two years, applicants accepted into the loan forgiveness program may designate an agreed amount, not to exceed \$3,000, as a qualified loan. For each year that a participant practices nursing in a nursing home or intermediate care facility for persons with mental retardation and related conditions, up to a maximum of two years, the commissioner shall annually repay an amount equal to one year of qualified loans and the interest accrued on the loans. Participants who move from one nursing home or intermediate care facility for persons with mental retardation and related conditions to another remain eligible for loan repayment.

Subd. 4. [PENALTY FOR NONFULFILLMENT.] If a participant does not fulfill the service commitment required under subdivision 3 for full repayment of all qualified loans, the commissioner shall collect from the participant 100 percent of any payments made for qualified loans and interest, plus a penalty of 50 percent of the amount paid. The commissioner shall deposit the collections in the general fund to be credited to the account established in subdivision 1. The commissioner may grant a waiver of all or part of the money owed as a result of a nonfulfillment penalty if emergency circumstances prevented fulfillment of the required service commitment.

Subd. 5. [RULES.] The commissioner shall adopt rules to implement this section.

Sec. 5. [STUDY OF OBSTETRICAL ACCESS.]

The commissioner of health shall study access to obstetrical services in Minnesota and report to the legislature by February 1, 1992. The study must examine the number of physicians discontinuing obstetrical care in recent years and the effects of high malpractice costs and low government program reimbursement for

obstetrical services, and must identify areas of the state where access to obstetrical services is most greatly affected. The commissioner shall recommend ways to reduce liability costs and to encourage physicians to continue to provide obstetrical services.

Sec. 6. [GRANT PROGRAM FOR MIDDLELEVEL PRACTITIONER TRAINING.]

The higher education coordinating board shall award grants to Minnesota schools or colleges that educate, or plan to educate midlevel practitioners, in order to establish and administer midlevel practitioner training programs in areas of rural Minnesota with the greatest need for midlevel practitioners. The program must address rural health care needs, and incorporate innovative methods of bringing together faculty and students, such as the use of telecommunications, and must provide both clinical and lecture components. The board shall award two grants for the fiscal year ending June 30, 1992.

Sec. 7. [GRANTS FOR CONTINUING EDUCATION.]

The higher education coordinating board shall establish a competitive grant program for schools of nursing and other providers of continuing nurse education, in order to develop continuing education programs for nurses working in rural areas of the state. The programs must complement, and not duplicate, existing continuing education activities, and must specifically address the needs of nurses working in rural practice settings. The board shall award two grants for the fiscal year ending June 30, 1992.

Sec. 8. [FEASIBILITY STUDIES.]

The higher education coordinating board shall conduct feasibility studies to assess: (1) the need for outreach baccalaureate nurse education programs that would offer classes and clinical experiences in sites convenient to students living in rural areas of the state with the greatest need for registered nurses; and (2) the need for a four-year, generic, baccalaureate degree program for registered nurses in northern Minnesota. The board shall present findings and recommendations to the legislature by February 15, 1992.

Sec. 9. [APPROPRIATION.]

(a) \$9,000,000 is appropriated from the general fund to the commissioner of health for the fiscal year ending June 30, 1992, and \$37,240,000 is appropriated from the general fund to the commissioner of health for the fiscal year ending June 30, 1993, for purposes of articles 1, 2, 3, and 6. The unencumbered balance remaining in the first year does not cancel but is available for the second year.

(b) \$310,000 is appropriated from the general fund to the commissioner of commerce for the biennium ending June 30, 1993, for purposes of articles 7 and 8.

(c) \$110,000 is appropriated from the general fund to the commissioner of human services for the fiscal year ending June 30, 1992, and \$1,040,000 is appropriated from the general fund to the commissioner of human services for the fiscal year ending June 30, 1993, for costs associated with implementation of the Minnesotans' health care plan.

(d) \$553,000 is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1993, for article 5.

(e) \$252,000 is appropriated from the general fund to the higher education coordinating board for the biennium ending June 30, 1993, for article 9.

(f) \$1,495,000 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1993, for articles 4, 5, and 9."

Delete the title and insert:

"A bill for an act relating to health care; creating a bureau of health care access; establishing the Minnesotans' health care plan; establishing an office of rural health; requiring rural health initiatives; requiring data and research initiatives; restricting underwriting and premium rating practices; providing a health insurance plan for small employees; requiring initiatives related to health professional education; appropriating money; amending Minnesota Statutes 1990, sections 16A.124, subdivision 4; 43A.17, subdivision 9; 43A.23, by adding a subdivision; 136A.1355, subdivisions 2 and 3; 144.147, subdivisions 1 and 4; 144.581, subdivision 1; 144.698, subdivision 1; 144.8093; 145.61, subdivision 5; 145.64; 176.011, subdivision 9; 256.969, subdivision 6a; and 447.31, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapters 16B; 62A; 62J; 144; and 144A; proposing coding for new law as Minnesota Statutes, chapter 62K; repealing Minnesota Statutes 1990, sections 62E.51; 62E.52; 62E.53; 62E.531; 62E.54; and 62E.55."

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. 222, A bill for an act relating to international trade; establishing regional international trade service centers; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reported the same back with the following amendments:

Page 1, line 7, delete “[116J.969]”

Page 1, line 8, delete “CENTERS” and insert “CENTER; PILOT PROJECT”

Page 1, line 10, after “center” insert “pilot project” and delete everything after “established”

Page 1, delete line 11

Page 1, line 12, delete “subdivision 2,”

Page 1, line 13, delete “area” and delete everything after the first “businesses” and insert “in the state.”

Page 1, delete line 14

Page 1, line 15, delete “2.” and insert “The pilot project shall terminate June 30, 1993.”

Page 1, lines 15 and 21, delete “centers” and insert “center”

Page 3, lines 17 and 21, delete “Each” and insert “The”

Page 3, line 29, delete “\$.....” and insert “\$100,000”

Amend the title as follows:

Page 1, line 2, after “establishing” insert “a”

Page 1, line 3, delete “centers” and insert “center pilot project”

Page 1, line 4, delete everything after “money”

Page 1, line 5, delete everything before the period

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. 303, A bill for an act relating to waste management; making changes to state and local government responsibility and authority for waste management; placing emphasis on waste reduction and recycling; adjusting waste facility siting processes; amending Minnesota Statutes 1990, sections 16B.122, subdivision 2; 16B.61, subdivision 3a; 115A.02; 115A.03, subdivision 17a; 115A.06, subdivision 2; 115A.14, subdivision 4; 115A.15, subdivisions 7 and 9; 115A.151; 115A.411, subdivision 1; 115A.46, subdivision 1, and by adding a subdivision; 115A.49; 115A.53; 115A.551, subdivisions 1 and 4; 115A.552, subdivisions 1, 2, and by adding a subdivision; 115A.554; 115A.557, subdivision 4; 115A.64, subdivision 2; 115A.67; 115A.83; 115A.84, subdivision 2; 115A.86, subdivision 5, and by adding a subdivision; 115A.882; 115A.9162, subdivision 2; 115A.919; 115A.923, subdivisions 1 and 1a; 115A.931; 115A.94, subdivision 4; 115A.9561; 115A.96, subdivision 6; 115B.04, subdivision 4; 115B.22, subdivision 8; 116.07, subdivision 4j; 325E.042, subdivision 2; 325E.115, subdivision 1; 325E.1151, subdivision 3; 400.08, subdivision 1; 473.803, subdivision 2; 473.811, subdivisions 1, 3, and 5; 473.823, subdivision 5; 473.845, subdivision 4; 473.848, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 115A; 116; 325E; and 473; repealing Minnesota Statutes 1990, sections 325E.045; and 473.844, subdivision 3; Laws 1989, chapter 325, section 72, subdivision 2.

Reported the same back with the following amendments:

Page 10, line 10, after the period insert "To the extent practicable, the costs incurred by a county for collection, storage, transportation, and recycling of major appliances must be incorporated into the collection, storage, transportation, and recycling system."

Page 16, line 17, after "county" insert "must be payable to the county and"

Page 19, after line 5, insert:

"Subd. 2. [ADDITIONAL FEE.] A county may impose a fee, by cubic yard or the equivalent of waste collected outside the county, in addition to a fee imposed under subdivision 1, on operators of mixed municipal solid waste disposal facilities located within the county. Revenue generated from the additional fee must be credited to the

county general fund and may be used only for the purposes listed in subdivision 1."

Page 19, line 6, before "Waste" insert "Subd. 3. [EXEMPTION.]"

Page 19, line 11, strike "the" and insert "any"

Page 19, delete lines 17 to 23

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. 322, A bill for an act relating to waste management expenditures; requiring the state resource recovery program to establish a central materials recovery facility and centralized collection and transportation of recyclable materials from state offices and operations; appropriating money; amending Minnesota Statutes 1990, section 115A.15, subdivision 6, and by adding subdivisions.

Reported the same back with the following amendments:

Page 1, lines 24 to 27, delete the new language

Page 2, delete line 1

Page 2, line 22, delete everything after the period

Page 2, delete lines 23 to 26

Pages 2 to 3, delete section 3

Page 3, delete section 4

Page 3, delete lines 28 to 36

Page 4, delete lines 1 to 5

Page 4, after line 5, insert:

"Sec. 3. [COMPLEMENT.]"

Page 4, line 8, delete "2" and insert "8"

Amend the title as follows:

Page 1, line 6, delete "appropriating"

Page 1, line 7, delete "money;"

Page 1, line 8, delete "subdivisions" and insert "a subdivision"

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. 628, A bill for an act relating to traffic regulations; increasing the fine for violating seat belt requirements; reallocating fine receipts; amending Minnesota Statutes 1990, section 169.686, subdivisions 1 and 3.

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. 658, A bill for an act relating to economic development; establishing a small business innovation research marketing and technical assistance program; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [APPROPRIATION.]

(a) \$200,000 in fiscal year 1992 and \$200,000 in fiscal year 1993 are appropriated from the general fund to the commissioner of trade and economic development for a grant through the bureau of small business assistance to Minnesota Project Innovation. The money must be used to set up a federal technical procurement project for small business in the state.

(b) \$500,000 in fiscal year 1993 is appropriated from the general fund to the commissioner of trade and economic development for a grant to Minnesota Project Outreach Corporation.

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert "appropriating money for a federal technical procurement project and for Minnesota Project Outreach Corporation."

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. 909, A bill for an act relating to energy; creating an advisory task force on low-income energy assistance to establish an energy assistance foundation; authorizing the department of human services to adopt rules; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

Reported the same back with the following amendments:

Page 1, line 12, delete everything after "to" and insert "study the establishment of"

Page 2, delete lines 27 to 36

Page 3, delete lines 1 and 2

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon

Page 1, delete line 5

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. 1009, A bill for an act relating to natural resources; authorizing additions to and deletions from certain state parks; authorizing nonpark use of a portion of Interstate park; authorizing the sale of certain deleted lands.

Reported the same back with the following amendments:

Pages 4 and 5, delete section 3 and insert:

“Sec. 3. [NONPARK USE OF LAND IN FORT SNELLING STATE PARK; STUDY OF CERTAIN LANDS WITHIN THE PARK.]

(a) Notwithstanding Minnesota Statutes, chapters 85 and 86A, the commissioner of natural resources may authorize the United States army to use, occupy, and maintain without charge by the state, but at no expense to the commissioner, the portion of Fort Snelling state park that is designated in the official records and drawings of the former Veteran’s Administration Hospital Reserve as area “J,” and being that part of the property conveyed to the state of Minnesota by the United States of America on August 17, 1971, lying east of Taylor avenue, which contains 35.38 acres, more or less. The use, occupancy, and maintenance may be conditioned upon terms prescribed by the commissioner.

(b) The commissioner of natural resources shall examine whether the continued inclusion in Fort Snelling state park of the property described in paragraph (a), together with that portion of land conveyed in the same deed that lies west of Taylor avenue and is commonly referred to as officers row, which contains 10.5 acres, more or less, is appropriate. The examination must include recommendations on the appropriate use of the area and an analysis of the options available to the state for use of the area under the 1971 conveyance agreement. The commissioner shall report the findings to the legislature by January 15, 1992.

Sec. 4. [LAKE MARIA STATE PARK; LIMITED TERM LEASE.]

Notwithstanding the provisions of Minnesota Statutes, chapters 85 and 86A, or any other law to the contrary, the commissioner of natural resources may temporarily lease not more than five acres of land in Lake Maria state park under the following conditions:

(1) the lease will be entered into only with a person who has donated land valued at not less than \$14,000 to the state for inclusion in Lake Maria state park;

(2) the commissioner determines that the lease will not impair public usage of the park and that use of the area by the lessee will have minimal impact on the park; and

(3) the lease term must not exceed ten years, with no renewal, and will be entered into upon such additional conditions and rental rate as the parties agree."

Page 5, line 19, delete "4" and insert "5"

Amend the title as follows:

Page 1, line 4, delete "Interstate park" and insert "certain parks"

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. 1129, A bill for an act relating to agriculture; regulating genetically engineered plants, pesticides, fertilizers, soil amendments, and plant amendments; imposing a penalty; amending Minnesota Statutes 1990, sections 18B.01, by adding subdivisions; 18C.005, by adding subdivisions; 18C.425, by adding a subdivision; 18D.01, subdivisions 1 and 9; 18D.301, subdivisions 1 and 2; 18D.325, subdivisions 1 and 2; 18D.331, subdivisions 1, 2, and 3; proposing coding for new law in Minnesota Statutes, chapters 18B and 18C; proposing coding for new law as Minnesota Statutes, chapter 18F.

Reported the same back with the following amendments:

Page 2, line 16, delete "MATERIAL" and insert "UNREASONABLE"

Page 2, lines 17, 18, and 35, delete "material" and insert "unreasonable"

Page 3, line 11, delete "material" and insert "unreasonable adverse"

Page 3, line 15, delete "material" and insert "unreasonable"

Page 5, lines 15 and 32, delete "material" and insert "unreasonable"

Page 5, line 28, delete "material" and insert "unreasonable adverse"

Page 8, line 16, delete "material" and insert "unreasonable"

Page 8, line 32, delete "material" and insert "unreasonable adverse"

Page 9, line 3, delete "material" and insert "unreasonable"

Page 11, after line 28, insert:

"Sec. 28. Minnesota Statutes 1990, section 116C.91, is amended by adding a subdivision to read:

Subd. 7. [SIGNIFICANT ENVIRONMENTAL PERMIT.] "Significant environmental permit" means a permit issued by a state agency with the authority to deny, modify, revoke, or place conditions on the permit in compliance with the requirements of sections 116C.91 to 116C.96, chapter 116D, and the rules adopted under them.

Sec. 29. Minnesota Statutes 1990, section 116C.94, is amended to read:

116C.94 [RULES.]

(a) The board shall adopt rules consistent with sections 116C.91 to ~~116C.95~~ 116C.96 that require an environmental assessment worksheet and otherwise comply with chapter 116D and rules adopted under it for a proposed release and a permit for a release. The board may place conditions on a permit and may deny, modify, suspend, or revoke a permit.

(b) The rules shall provide that a permit from the board is not required if the proposer can demonstrate to the board that a significant environmental permit is required for the proposal by another state agency.

(c) A person proposing a release for which a federal permit is required may apply to the board for an exemption from the board's permit or to an agency with a significant environmental permit for the proposed release for an exemption from the agency's permit. The proposer must file with the board or agency, within 14 days of filing a federal application, a written request for exemption with a copy of the federal application and the information necessary to determine if there is a potential for significant environmental effects under chapter 116D and rules adopted under it. The board or agency shall give public notice of the request in the first available issue of the EQB Monitor and shall provide an opportunity for public comment

on the environmental review process consistent with chapter 116D and rules adopted under it. The board or agency may grant the exemption if the board or agency finds that the federal permit issued is in compliance with the requirements of chapter 116D and rules adopted under it and any other requirement of the board's or agency's authority regarding the release of genetically engineered organisms. The board or agency must grant or deny the exemption within 45 days after the receipt of the federal permit.

(d) The board shall consult with local units of government and with private citizens before adopting any rules.

Sec. 30. [116C.96] [COST REIMBURSEMENT.]

The board shall assess the proposer of a release for the necessary and reasonable costs of processing exemptions from a release permit or applications for a release permit. An estimated budget shall be prepared for each exemption or application by the chair of the board. The proposer must remit 25 percent of the estimated budget within 14 days of the receipt of the estimated budget from the chair. The unpaid balance shall be billed in periodic installments, due upon receipt of an invoice from the chair. Costs in excess of the estimated budget must be certified by the board and upon certification constitute prima facie evidence that the expenses are reasonable and necessary and shall be charged to the proposer. The proposer may review all actual costs and present objections to the board, which may modify the cost or determine that the cost assessed is reasonable. The assessment paid by the proposer shall not exceed the sum of the costs incurred. All money received under this section shall be deposited in the special account established under section 116D.045, subdivision 3, for the purpose of paying costs incurred in processing exemptions and applications."

Renumber the remaining section

Amend the title as follows:

Page 1, line 4, after the first semicolon insert "rules of the environmental quality board governing release of genetically engineered organisms; reimbursement of release permit costs;"

Page 1, line 10, after the semicolon insert "116C.91, by adding a subdivision; and 116C.94;"

Page 1, line 11, delete "and 18C" and insert "; 18C; and 116C"

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. 1246, A bill for an act relating to energy; expanding conservation improvement programs; extending protection against disconnection of residential utility customers during cold weather; improving energy efficiency by prohibiting incandescent lighting in certain exit signs; requiring applicants for certificates of need for large utility facilities to justify the use of nonrenewable rather than renewable energy; establishing energy conservation goals for state buildings; requiring a review of the state building code and energy standards; requiring a report to the legislature; authorizing conservation improvement financial incentive plans; making conforming amendments; prescribing penalties; appropriating money; amending Minnesota Statutes 1990, sections 16B.32; 16B.61, subdivision 3; 216B.16, subdivision 6b, and by adding a subdivision; 216B.241; 216B.243, subdivision 3, and by adding a subdivision; 216C.02, subdivision 1; and 299F.011, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 216B and 216C.

Reported the same back with the following amendments:

Page 4, line 16, delete "revenue" and insert "public service"

Page 6, line 4, delete "revenue" and insert "public service"

Page 12, after line 17, insert:

"Sec. 6. [APPROPRIATION.]

\$40,000 in fiscal year 1992 and \$40,000 in fiscal year 1993 are appropriated from the general fund to the commissioner of public service for administration and analysis of conservation improvement programs. The complement of the department of public service is increased by one position. The cost of this position shall be reimbursed through fees paid by public utilities.

Page 17, line 10, after "ENERGY CONSERVATION GOALS" insert "; EFFICIENCY PROGRAM"

Page 17, delete lines 11 to 22 and insert "of administration in consultation with the department of public service, in cooperation with one or more public utilities or comprehensive energy services providers, may conduct a shared-savings program involving energy conservation expenditures of up to \$15,000,000 by July 1, 1996, on state-owned buildings. The public utility or energy services provider shall contract with appropriate state agencies to implement energy efficiency improvements in the selected buildings. A contract must require the public utility or energy services provider to include all energy efficiency improvements in selected buildings that are

calculated to achieve a cost payback within ten years. The contract must require that the public utility or energy services provider be repaid solely from energy cost savings and only to the extent of energy cost savings. The goal of the program in this paragraph is to demonstrate that through effective energy conservation the total energy consumption per square foot of state-owned and wholly state-leased buildings could be reduced by at least 25 percent, and climate control energy consumption per square foot could be reduced by at least 15 percent from consumption in the base year of 1990."

Page 17, line 23, delete "requirements" and insert "program"

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. 132, A bill for an act relating to public safety; providing for wheelchair securement devices in transit vehicles for transporting disabled people; amending Minnesota Statutes 1990, sections 299A.11; 299A.12, subdivision 1, and by adding a subdivision; and 299A.14, subdivision 3.

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. 350, A bill for an act relating to the environment; adding a purpose for expenditure from the metropolitan landfill contingency action trust fund; authorizing the city of Hopkins to issue bonds to pay for environmental response costs at a landfill; authorizing the city to impose a solid waste collection surcharge; authorizing a landfill cleanup assessment against property; authorizing a service charge; appropriating money; amending Minnesota Statutes 1990, section 473.845, subdivision 3.

Reported the same back with the following amendments:

Page 3, delete lines 9 to 12, and insert "powers, or the revenues from the landfill cleanup assessment and the service charge authorized by this act."

Page 4, delete lines 8 to 36

Page 5, delete lines 1 to 36

Page 6, delete lines 1 to 11 and insert:

“Sec. 4. [REVENUE MECHANISMS.]

Subdivision 1. [AUTHORITY.] (a) The city may, by ordinance, impose the landfill cleanup assessment as provided in subdivision 2 to pay the costs specified in this subdivision. If revenue from the landfill cleanup assessment is insufficient for payment of those costs, the city may levy a service charge as provided in subdivision 3 for the remaining amount necessary.

The costs which can be paid from the assessment authorized in subdivision 2 and the service charge authorized in subdivision 3 include:

(1) the costs of principal and interest on bonds or other obligations issued under section 3 until the bonds or other obligations are repaid; and

(2) the costs incurred or to be incurred to respond to releases, closure, and postclosure care of the landfill until June 30, 1996.

(b) The city shall not budget more than \$400,000 per year from the combination of assessments and service charges. Any amount received in excess of \$400,000 in one year shall be subtracted from the total of the assessments and service charges allowed to be imposed for the next year.

(c) After June 30, 1996, the city shall not budget from the total of the assessments and service charges more than the annual amount needed to pay principal and interest on the bonds issued under section 3. The city's authority to impose assessments and service charges under this act expires on final payment of the principal and interest on the bonds, except that any funds remaining may be placed in the general fund of the city.

Subd. 2. [LANDFILL CLEANUP ASSESSMENT.] (a) The city may impose an assessment against the property classes established by the city under paragraph (b). The landfill cleanup assessment must be determined by the city and certified to the county auditor by January 1 of each year. The assessment must be extended on the assessment rolls of the county for the year in which the assessment is filed, and shall be enforced and collected in the same manner provided for real estate taxes. The assessments, if not paid, become delinquent in January of the following year and are subject to the same penalties and at the same rate of interest as delinquent real

estate taxes. Assessments imposed under this subdivision are exempt from the determination of the city's levy limitation under Minnesota Statutes, chapter 275.

(b) For the purposes of this subdivision, the city shall classify, by ordinance, real property within the corporate limits of the city according to the type of solid waste generation on or from the property. Property exempt from taxation by the state and political subdivisions and other governmental units must also be included in the classification. Classifications must include, but are not limited to, commercial, industrial, single family residential, and multi-family residential property. Rates and charges for the assessment may take into account the character, kind, and quality of the service and of the solid waste, the method of disposition, the number of people served at each place of collection, and all other factors that enter into the cost of solid waste generation.

Subd. 3. [SERVICE CHARGE.] The city may levy a service charge computed upon the net tax capacity of all the taxable property in the city, not to exceed the remaining amount necessary as provided in subdivision 1. Service charges based on the net tax capacity may be payable and collected at the same time and in the same manner as provided for payment and collection of ad valorem taxes. Service charges imposed under this act are not included in computations under Minnesota Statutes, section 469.177, chapter 473F, or any other law that applies to general ad valorem levies."

Page 6, line 32, delete " , divided between the two in proportion to the amount"

Page 6, line 33, delete "paid by each"

Page 7, delete line 13, and insert:

"This act is effective the day following final enactment, except that if the service charges are imposed in section 4, subdivision 3, they cannot be levied on property before the 1991 levy, payable in 1992."

Amend the title as follows:

Page 1, line 6, delete "solid"

Page 1, line 7, delete everything before "landfill"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2, 222, 303, 322, 628, 658, 909, 1009, 1129 and 1246 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 132 and 350 were read for the second time.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Simoneau requested immediate consideration of H. F. Nos. 783 and 218.

H. F. No. 783, as amended, which was temporarily laid over earlier today was again reported to the House.

Bishop moved to amend H. F. No. 783, the first engrossment, as amended, as follows:

Page 1, line 23, strike "includes" and insert "is limited to"

Page 1, line 24, after the stricken "and" insert "as defined in section 103I.005, subdivision 9" and after "holes" insert "as defined in section 103I.005, subdivision 8" and after "exchangers" insert "as defined in section 103I.005, subdivision 20"

Page 1, line 25, before the period insert "as defined in section 103I.005, subdivision 6"

The motion prevailed and the amendment was adopted.

Valento; Omann; Johnson, R.; Dauner and Nelson, S., moved to amend H. F. No. 783, the first engrossment, as amended, as follows:

Page 5, line 3, after the period insert:

"This subdivision shall be applicable to the following counties: Blue Earth; Dakota; Goodhue; LeSueur; Mower; Olmsted; Rice; Wabasha; Waseca; Washington; and Winona.

The commissioner may not enter into delegation agreements with other counties or political subdivisions until July 1, 1993."

The motion prevailed and the amendment was adopted.

H. F. No. 783, A bill for an act relating to health; modifying requirements for drilling, sealing, and construction of wells, borings, and elevator shafts; amending Minnesota Statutes 1990, sections 103I.005, subdivisions 2, 22, and by adding a subdivision; 103I.101, subdivisions 2, 4, 5, and 6; 103I.105; 103I.111, subdivisions 2b, 3, and by adding a subdivision; 103I.205, subdivisions 1, 3, 4, 7, 8, and 9; 103I.208, subdivision 2; 103I.231; 103I.235; 103I.301, subdivision 1, and by adding a subdivision; 103I.311, subdivision 3; 103I.331, subdivision 2; 103I.525, subdivisions 1, 4, 8, and 9; 103I.531, subdivisions 5, 8, and 9; 103I.535, subdivisions 8 and 9; 103I.541, subdivisions 4 and 5; 103I.545, subdivision 2; 103I.621, subdivision 3; 103I.701, subdivisions 1 and 4; 103I.705, subdivisions 2, 3, 4, and 5; and 103I.711, subdivision 1; repealing Minnesota Statutes 1990, section 103I.005, subdivision 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 104 yeas and 29 nays as follows:

Those who voted in the affirmative were:

Abrams	Farrell	Kelso	Murphy	Scheid
Anderson, I.	Frederick	Kinkel	Nelson, K.	Seaberg
Anderson, R. H.	Frerichs	Knickerbocker	Newinski	Segal
Battaglia	Garcia	Krinkie	O'Connor	Simoneau
Bauerly	Goodno	Krueger	Ogren	Skoglund
Beard	Greenfield	Lasley	Olsen, S.	Smith
Begich	Gutknecht	Leppik	Orenstein	Solberg
Bettermann	Hanson	Lieder	Orfield	Stanius
Bishop	Hartle	Limmer	Osthoff	Sviggum
Blatz	Haukoos	Long	Ostrom	Swenson
Boo	Hausman	Lourey	Ozment	Thompson
Brown	Heir	Lynch	Pauly	Tompkins
Carlson	Henry	Macklin	Pellow	Trimble
Carruthers	Hufnagle	Mariani	Pugh	Uphus
Clark	Jacobs	Marsh	Reding	Valento
Dauids	Janezich	McEachern	Rest	Vellenga
Dawkins	Jaros	McGuire	Rice	Wagenius
Dempsey	Jefferson	McPherson	Rodosovich	Waltman
Dille	Johnson, A.	Milbert	Rukavina	Wejcmán
Dorn	Kahn	Morrison	Runbeck	Spk. Vanasek
Erhardt	Kalis	Munger	Sarna	

Those who voted in the negative were:

Bertram	Hasskamp	Nelson, S.	Peterson	Weaver
Bodahl	Hugoson	Olson, E.	Schafer	Welker
Cooper	Jennings	Olson, K.	Schreiber	Welle
Dauner	Johnson, R.	Ománn	Sparby	Wenzel
Girard	Johnson, V.	Onnen	Steenasma	Winter
Gruenes	Koppendrayér	Pelowski	Tunheim	

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

H. F. No. 218 was reported to the House.

Bauerly and Goodno moved to amend H. F. No. 218, the third engrossment, as follows:

Page 6, line 11, after "contractors" insert "and report to the legislature by January 31, 1992 with the recommended types of specialty groups and the licensing procedures"

Page 7, line 13, delete "1,500" and insert "2,500" and before the semicolon, insert "The \$2,500 limit may be exceeded by the unlicensed person if the person's total gross annual receipts from projects regulated under this section do not exceed \$15,000"

The motion prevailed and the amendment was adopted.

Bauerly moved to amend H. F. No. 218, the third engrossment, as amended, as follows:

Page 11, after line 5, insert:

"Subd. 5. [EXEMPTION.] A general retailer whose primary business is not being a residential building contractor, remodeler, or specialty contractor and who has completed a comparable license examination in another state is exempt from sections 11, 12, and 13, subdivisions 3 and 4."

The motion prevailed and the amendment was adopted.

Krinkie, Goodno and Jennings moved to amend H. F. No. 218, the third engrossment, as amended, as follows:

Page 7, delete lines 14 to 23

Re-number the clauses in sequence

Page 9, line 34, after "licensed" insert "in a local governmental unit or"

Page 11, delete line 7

A roll call was requested and properly seconded.

The question was taken on the Krinkie et al amendment and the roll was called. There were 39 yeas and 94 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Knickerbocker	Omann	Smith
Anderson, R. H.	Girard	Krinkie	Onnen	Stanium
Bettermann	Goodno	Limmer	Ozment	Sviggun
Boo	Gruenes	Lynch	Pellow	Tompkins
Davids	Haukoos	Macklin	Runbeck	Valento
Dempsey	Heir	Marsh	Schafer	Waltman
Erhardt	Hugoson	McPherson	Schreiber	Welker
Frederick	Johnson, V.	Olsen, S.	Seaberg	

Those who voted in the negative were:

Anderson, I.	Garcia	Kinkel	Ogren	Simoneau
Anderson, R.	Greenfield	Koppendrayer	Olson, E.	Skoglund
Battaglia	Gutknecht	Krueger	Olson, K.	Solberg
Bauerly	Hanson	Lasley	Orenstein	Sparby
Beard	Hartle	Leppik	Orfield	Steenasma
Begich	Hasskamp	Lieder	Osthoff	Swenson
Bertram	Hausman	Long	Ostrom	Thompson
Blatz	Henry	Lourey	Pauly	Trimble
Bodahl	Hufnagle	Mariani	Pelowski	Tunheim
Brown	Jacobs	McEachern	Peterson	Uphus
Carlson	Janezich	McGuire	Pugh	Vellenga
Carruthers	Jaros	Milbert	Reding	Wagenius
Clark	Jefferson	Morrison	Rest	Weaver
Cooper	Jennings	Munger	Rice	Wejzman
Dauner	Johnson, A.	Murphy	Rodosovich	Welle
Dawkins	Johnson, R.	Nelson, K.	Rukavina	Wenzel
Dille	Kahn	Nelson, S.	Sarna	Winter
Dorn	Kalis	Newinski	Scheid	Spk. Vanasek
Farrell	Kelso	O'Connor	Segal	

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

H. F. No. 218, A bill for an act relating to occupations and professions; requiring residential building contractors, remodelers, and specialty contractors to be licensed by the state; establishing a builders state advisory council; providing penalties; appropriating money; amending Minnesota Statutes 1990, section 45.027, subdivisions 1, 2, 5, 6, 7, and 8; proposing coding for new law in Minnesota Statutes, chapter 326.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 110 yeas and 20 nays as follows:

Those who voted in the affirmative were:

Abrams	Anderson, R.	Bauerly	Begich	Bettermann
Anderson, I.	Battaglia	Beard	Bertram	Bishop

Blatz	Hasskamp	Limmer	Olson, E.	Simoneau
Bodahl	Hausman	Long	Olson, K.	Skoglund
Boo	Heir	Lourey	Omann	Smith
Brown	Henry	Lynch	Orenstein	Solberg
Carlson	Hufnagle	Macklin	Orfield	Sparby
Carruthers	Jacobs	Mariani	Osthoff	Stanius
Clark	Jaros	Marsh	Ozment	Steensma
Dauner	Jefferson	McEachern	Pellow	Swenson
Dille	Jennings	McGuire	Pelowski	Thompson
Dorn	Johnson, A.	McPherson	Pugh	Tompkins
Erhardt	Johnson, R.	Milbert	Rest	Trimble
Farrell	Kahn	Morrison	Rice	Tunheim
Frederick	Kelso	Munger	Rodosovich	Uphus
Garcia	Kinkel	Murphy	Rukavina	Vellenga
Goodno	Knickerbocker	Nelson, K.	Runbeck	Wagenius
Greenfield	Koppendrayner	Nelson, S.	Sarna	Waltman
Gruenes	Krinkie	Newinski	Scheid	Weaver
Gutknecht	Krueger	O'Connor	Schreiber	Wejcmann
Hanson	Leppik	Ogren	Seaberg	Winter
Hartle	Lieder	Olsen, S.	Segal	Spk. Vanasek

Those who voted in the negative were:

Anderson, R. H.	Frerichs	Johnson, V.	Pauly	Valento
Cooper	Girard	Kalis	Peterson	Welker
Davids	Haukoos	Onnen	Schafer	Welle
Dempsey	Hugoson	Ostrom	Svigum	Wenzel

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

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 695, A bill for an act relating to domestic violence; battered women; providing that no filing fee shall be charged for issuing a domestic abuse order for protection except under certain circumstances; increasing the penalty for violating an order for protection; authorizing warrantless arrests for violations at a place of employment; permitting the issuance of a new order based on violation of a prior order; increasing the probationary period for misdemeanor domestic assaults; clarifying and expanding the role of the battered women's advisory council; establishing a sexual assault advisory council; updating and correcting certain statutory provisions; appropriating money; amending Minnesota Statutes 1990, sections 518B.01, subdivision 14, and by adding a subdivision; 609.135, subdivision 2; 611A.31, subdivision 2; 611A.32, subdivisions 1 and 2; 611A.33; 611A.34; 611A.35; and 611A.36, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter

611A; repealing Minnesota Statutes 1990, section 611A.32, subdivision 4.

Reported the same back with the following amendments:

Page 4, line 33, after the period insert "The membership of the council shall be fairly representative of both genders."

Page 13, delete section 16

Page 13, line 12, delete "17" and insert "16"

Amend the title as follows:

Page 1, line 14, 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. 930, A bill for an act relating to economic development; changing the focus of the Greater Minnesota Corporation; requiring the chair of the board of directors to act as science advisor to the governor; changing the duties of the agricultural research utilization institute; providing for an audit; changing the name of the Greater Minnesota Corporation; amending Minnesota Statutes 1990, sections 116O.05, subdivision 2; and 116O.09, subdivision 3, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 116O.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [NAME CHANGE.]

The Greater Minnesota Corporation is renamed Minnesota Technology, Inc.

Sec. 2. Minnesota Statutes 1990, section 116O.03, subdivision 2, is amended to read:

Subd. 2. [BOARD OF DIRECTORS.] The corporation is governed by a board of ~~11~~ 14 directors. ~~The term of a director is six years. Vacancies on the board are filled by appointment of the board, subject to the advice and consent of the senate. Board members may receive reasonable compensation and be reimbursed for reasonable expenses, which must be reviewed each year by the commissioner of finance. The membership terms, compensation, removal, and filling of vacancies of public members of the board are as provided in section 15.0575. Membership of the board consists of the following:~~

(1) a person from the private sector, appointed by the governor, who shall act as chair and serve as chief science advisor to the governor and the legislature;

(2) the dean of the graduate school of the University of Minnesota;

(3) the dean of the institute of technology of the University of Minnesota;

(4) the commissioner of the department of trade and economic development;

(5) six members appointed by the governor; and

(6) one member who is not a member of the legislature appointed by each of the following: the speaker of the house of representatives, the house of representatives minority leader, the senate majority leader, and the senate minority leader.

At least fifty percent of the members described in clauses (5) and (6) must live outside the metropolitan area as defined in section 473.121, subdivision 2, and must have experience in manufacturing, the technology industry, or research and development.

Sec. 3. Minnesota Statutes 1990, section 1160.04, subdivision 2, is amended to read:

Subd. 2. [STATUS OF EMPLOYEES.] Employees, officers, and directors of the corporation and programs governed by this chapter are not state employees, but are covered by section 3.736 and, at the option of the board, may participate in the state retirement plan and the state deferred compensation plan for employees in the unclassified service and an insurance plan administered by the commissioner of employee relations.

Sec. 4. Minnesota Statutes 1990, section 1160.05, subdivision 2, is amended to read:

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

(1) applied research; and

(2) technology transfer and early stage funding to small manufacturers.

(b) The corporation shall also:

(1) establish programs, activities, and policies that provide technology transfer and applied research and development assistance to individuals, sole proprietorships, partnerships, corporations, other business entities, and nonprofit organizations in the state that are primarily new and existing small and medium-sized businesses in greater Minnesota;

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

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

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

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

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

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

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

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

Sec. 5. [116O.071] [SCIENCE AND TECHNOLOGY.]

Subdivision 1. [DUTIES.] The corporation shall:

(1) prepare and deliver to the legislature every January 15 a science and technology annual report that must 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 that provides significant promise for the development of job-creating businesses; and

(ii) an analysis of the efficacy and completeness of a decentralized research peer review process, with special emphasis on whether or not scientifically and technologically related research and development projects in Minnesota have resulted or will result in creating scientifically and technologically related jobs;

(2) keep a current roster of technology intensive businesses in the state;

(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;

(4) review the technological development potential of various regions of the state and cooperate with and make recommendations to the legislature, state agencies, local governments, local technology development agencies, the federal government, private businesses, and individuals for the realization of the development potential; and

(5) sponsor and conduct conferences and studies, collect and disseminate information, and issue periodic reports relating to scientifically and technologically related research and development and education in the state, and represent the state at appropriate interstate and national conferences.

Subd. 2. [PEER REVIEW PLANS.] A state agency, board, commission, authority, institution, or other entity 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 corporation 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 corporation or to ad hoc committees a review and evaluation of the peer review process used in that organization.

Subd. 3. [AUTHORITY TO PERFORM REQUESTED EVALUATIONS.] The governor, 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, director, 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

corporation 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 subdivision 1, clause (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 corporation.

Sec. 6. Minnesota Statutes 1990, section 116O.09, subdivision 3, is amended to read:

Subd. 3. [STAFF.] The corporation board of directors shall provide hire staff to for the agricultural utilization research institute and assist in carrying out the duties of the agricultural utilization research institute. Persons employed by the agricultural utilization research institute are not state employees and may participate in state retirement, deferred compensation, insurance, or other plans that apply to state employees generally and are subject to regulation by the state ethical practices board.

Sec. 7. Minnesota Statutes 1990, section 116O.09, is amended by adding a subdivision to read:

Subd. 6. [BYLAWS.] The board of directors shall adopt bylaws necessary for the conduct of the business of the institute consistent with this section. The corporation must publish bylaws and amendments to the bylaws in the State Register.

Sec. 8. Minnesota Statutes 1990, section 116O.09, is amended by adding a subdivision to read:

Subd. 7. [PLACE OF BUSINESS.] The board of directors shall locate and maintain the institute's place of business within the state.

Sec. 9. Minnesota Statutes 1990, section 116O.09, is amended by adding a subdivision to read:

Subd. 8. [CHAIR.] The board of directors shall annually elect from among its members a chair and other officers necessary for the performance of its duties.

Sec. 10. Minnesota Statutes 1990, section 116O.09, is amended by adding a subdivision to read:

Subd. 9. [MEETINGS.] The board of directors shall meet at least twice each year and may hold additional meetings upon giving notice in accordance with the bylaws of the institute. Board meetings are subject to section 471.705.

Sec. 11. Minnesota Statutes 1990, section 116O.09, is amended by adding a subdivision to read:

Subd. 10. [CONFLICT OF INTEREST.] A director, employee, or officer of the institute 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.

Sec. 12. Minnesota Statutes 1990, section 116O.09, is amended by adding a subdivision to read:

Subd. 11. [NO BENEFIT TO PRIVATE INDIVIDUALS OR CORPORATIONS.] This institute shall not afford pecuniary gain, incidental or otherwise, to any private individual, firm, or corporation, except the payment of reasonable fees for goods and services provided and approved in accordance with the bylaws of the corporation. No part of the net income or net earnings of the institute shall, directly or indirectly, be distributable to or otherwise inure to the benefit of any individual.

Sec. 13. Minnesota Statutes 1990, section 116O.09, is amended by adding a subdivision to read:

Subd. 12. [FUNDS.] The institute 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 more than \$25,000 must be approved by the full board.

Sec. 14. Minnesota Statutes 1990, section 116O.09, is amended by adding a subdivision to read:

Subd. 13. [ACCOUNTS; AUDITS.] The institute 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 sections 3.971 and 3.972. A copy of this audit shall be filed with the secretary of state.

For purposes of this section, "institute" means the agricultural utilization research institute established under section 116O.09 and "board of directors" means the board of directors of the agricultural utilization research institute.

Sec. 15. [REPORT TO GOVERNOR AND THE LEGISLATURE.]

Minnesota Technology, Inc., shall report to the governor and the appropriate committees of the legislature its recommendations for a state science and technology policy by January 1, 1992.

Sec. 16. [DISSOLUTION OF GREATER MINNESOTA CORPORATION BOARD OF DIRECTORS; REAPPOINTMENT OF DIRECTORS.]

The board of directors of the Greater Minnesota Corporation is dissolved. It is succeeded by the board of directors established in section 2. The successor board must have at least four members who currently serve as directors of the Greater Minnesota Corporation.

Sec. 17. [TECHNOLOGY RESOURCE CENTERS.]

The corporation must provide funding for technology resource centers so as to maintain a geographic balance of services throughout Minnesota.

Sec. 18. [TRANSFER.]

The following programs are transferred from the department of economic development to Minnesota Technology, Inc.: Minnesota Project Outreach Corporation, Minnesota Project Innovation, Inc., Minnesota Quality Council, Minnesota Inventors' Congress, Minnesota High Technology Corridor Corporation, and the office of science and technology. The provisions of Minnesota Statutes, section 15.039, apply to this transfer.

Sec. 19. [REVISOR INSTRUCTION.]

In the next edition of Minnesota Statutes and Minnesota Rules, the revisor of statutes shall change the words "Greater Minnesota Corporation" or similar words to "Minnesota Technology, Inc." or similar words. The revisor shall make other necessary changes to Minnesota Statutes and Minnesota Rules to effectuate section 18.

Sec. 20. [REPEALER.]

Minnesota Statutes 1990, sections 116J.970, 116J.971, and 116O.03, subdivision 2a, are repealed.

Sec. 21. [EFFECTIVE DATE.]

Section 18 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to economic development; changing the name of the Greater Minnesota Corporation; adding duties; providing for a new structure for the board of directors; amending Minnesota Statutes 1990, sections 116O.03, subdivision 2; 116O.04, subdivision 2; 116O.05, subdivision 2; and 116O.09, subdivision 3, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 116O; repealing Minnesota Statutes 1990, sections 116J.970; 116J.971; and 116O.03, subdivision 2a."

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. 397, A bill for an act relating to capital improvements; altering the terms of a grant to the Red Lake watershed district; amending Laws 1990, chapter 610, article 1, section 20, subdivision 5.

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. 621, A bill for an act relating to the environment; clarifying and correcting provisions relating to the legislative commission on Minnesota resources and the Minnesota environmental and natural resources trust fund; amending Minnesota Statutes 1990, sections 116P.04, subdivision 5; 116P.05; 116P.06; 116P.07; 116P.08, subdivisions 3 and 4; 116P.09, subdivisions 2, 4, and 7.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 116P.05, is amended to read:

116P.05 [LEGISLATIVE COMMISSION ON MINNESOTA RESOURCES.]

Subdivision 1. [MEMBERSHIP.] (a) A legislative commission on Minnesota resources of 16 members is created, consisting of the chairs of the house and senate committees on environment and natural resources or designees appointed for the terms of the chairs, the chairs of the house appropriations and senate finance committees or designees appointed for the terms of the chairs, six members of the senate appointed by the subcommittee on committees of the committee on rules and administration, and six members of the house appointed by the speaker. ~~The commission shall develop a budget plan for expenditures from the trust fund and shall adopt a strategic plan as provided in section 116P.08.~~

~~(b) The commission shall recommend expenditures to the legislature from the Minnesota future resources account under section 116P.13. At least two members from the senate and two members from the house must be from the minority caucus. Members are entitled to reimbursement for per diem expenses plus travel expenses incurred in the services of the commission.~~

~~(c) (b) Members shall appoint a chair who shall preside and convene meetings as often as necessary to conduct duties prescribed by this chapter.~~

~~(d) (c) Members shall serve on the commission until their successors are appointed.~~

~~(e) (d) Vacancies occurring on the commission shall not affect the authority of the remaining members of the commission to carry out their duties, and vacancies shall be filled in the same manner under paragraph (a).~~

Subd. 2. [DUTIES.] (a) The commission shall recommend a budget plan for expenditures from the environment and natural resources trust fund and shall adopt a strategic plan as provided in section 116P.08.

(b) The commission shall recommend expenditures to the legislature from the Minnesota future resources fund under section 116P.13.

(c) It is a condition of acceptance of the appropriations made from the Minnesota future resources fund, Minnesota environment and natural resources trust fund, and oil overcharge money under Minnesota Statutes, section 4.071, subdivision 2, that the agency or entity receiving the appropriation must submit a work program and semiannual progress reports in the form determined by the legislative commission on Minnesota resources. None of the money provided may be spent unless the commission has approved the pertinent work program.

(F) (d) The commission may adopt bylaws and operating procedures to fulfill their duties under sections 116P.01 to 116P.13.

Sec. 2. Minnesota Statutes 1990, section 116P.06, is amended to read:

116P.06 [ADVISORY COMMITTEE.]

Subdivision 1. [MEMBERSHIP.] (a) An advisory committee of 11 citizen members shall be appointed by the governor to advise the legislative commission on Minnesota resources on project proposals to receive funding from the trust fund and the development of budget and strategic plans. The governor shall appoint at least one member from each congressional district. The governor shall appoint the chair.

(b) The governor's appointees must be confirmed with the advice and consent of the senate. The membership terms, compensation, removal, and filling of vacancies for citizen members of the advisory committee are governed by section 15.0575.

Subd. 2. [DUTIES.] (a) The advisory committee shall:

(1) prepare and submit to the commission a draft strategic plan to guide expenditures from the trust fund;

(2) review the reinvest in Minnesota program during development of the draft strategic plan;

(3) gather input from the resources congress during development of the draft strategic plan;

(4) advise the commission on project proposals to receive funding from the trust fund; and

(5) advise the commission on development of the budget plan.

(b) The advisory committee may review all project proposals for funding and may make recommendations to the commission on whether the projects:

(1) meet the standards and funding categories set forth in sections 116P.01 to 116P.12;

(2) duplicate existing federal, state, or local projects being conducted within the state; and

(3) are consistent with the most recent strategic plan adopted by the commission.

Sec. 3. Minnesota Statutes 1990, section 116P.07, is amended to read:

116P.07 [RESOURCES CONGRESS.]

The commission must convene a resources congress at least once every biennium and shall develop procedures for the congress. The congress must be open to all interested individuals. The purpose of the congress is to collect public input necessary to allow the commission, with the advice of the advisory committee, to develop a strategic plan to guide expenditures from the trust fund. The congress also may be convened to receive and review reports on trust fund projects. The congress shall also review the reinvest in Minnesota program.

Sec. 4. Minnesota Statutes 1990, section 116P.08, subdivision 3, is amended to read:

Subd. 3. [STRATEGIC PLAN REQUIRED.] (a) The commission shall adopt a strategic plan for making expenditures from the trust fund, including identifying the priority areas for funding for the next six years. ~~The reinvest in Minnesota program must be reviewed by the advisory committee, resources congress, and commission during the development of the strategic plan.~~ The strategic plan must be updated every two years. The plan is advisory only. The commission shall submit the plan, as a recommendation, to the house of representatives appropriations and senate finance committees by January 1 of each odd-numbered year.

(b) ~~The advisory committee shall work with the resources congress to develop a draft strategic plan to be submitted to the commission for approval. The commission shall develop the procedures for the resources congress.~~

(c) The commission may accept or modify the draft of the strategic plan submitted to it by the advisory committee before voting on the plan's adoption.

Sec. 5. Minnesota Statutes 1990, section 116P.08, subdivision 4, is amended to read:

Subd. 4. [BUDGET PLAN.] (a) Funding may be provided only for those projects that meet the categories established in subdivision 1.

(b) Projects submitted to the commission for funding may be referred to the advisory committee for recommendation; ~~except that research proposals first must be reviewed by the peer review panel. The advisory committee may review all project proposals for funding and may make recommendations to the commission on whether:~~

(1) the projects meet the standards and funding categories set forth in sections 116P.01 to 116P.12;

(2) the projects duplicate existing federal, state, or local projects being conducted within the state; and

(3) the projects are consistent with the most recent strategic plan adopted by the commission.

(c) The commission must adopt a budget plan to make expenditures from the trust fund for the purposes provided in subdivision 1. The budget plan must be submitted to the governor for inclusion in the biennial budget and supplemental budget submitted to the legislature.

(d) Money in the trust fund may not be spent except under an appropriation by law.

Sec. 6. Minnesota Statutes 1990, section 116P.09, subdivision 2, is amended to read:

Subd. 2. [LIAISON OFFICERS.] The commission shall request each department or agency head of all state agencies with a direct interest and responsibility in any phase of environment and natural resources to appoint, and the latter shall appoint for the agency, a liaison officer who shall work closely with the commission and its staff. ~~The designated liaison officer shall attend all meetings of the advisory committee to provide assistance and information to committee members when necessary.~~

Sec. 7. Minnesota Statutes 1990, section 116P.09, subdivision 4, is amended to read:

Subd. 4. [PERSONNEL.] Persons who are employed by a state agency to work on a project and are paid by an appropriation from the trust fund or Minnesota future resources ~~account~~ fund are in the unclassified civil service, and their continued employment is contingent upon the availability of money from the appropriation. When the appropriation has been spent, their positions must be canceled and the approved complement of the agency reduced accordingly. Part-time employment of persons for a project is authorized.

Sec. 8. Minnesota Statutes 1990, section 116P.09, subdivision 5, is amended to read:

Subd. 5. [ADMINISTRATIVE EXPENSE.] (a) The administrative expenses of the commission ~~and advisory committee shall be paid from the Minnesota future resources account until June 30, 1995~~

shall be prorated among the various funds administered by the commission.

(b) After June 30, 1995, the expenses of the commission and advisory committee combined may not exceed an amount equal to two percent of the total earnings of the trust fund in the preceding fiscal year. Through June 30, 1991, the administrative expenses of the commission and the advisory committee shall be paid from the Minnesota future resources fund. After that time, the prorated expenses related to administration of the trust fund shall be paid from the interest earnings of the trust fund.

(c) The commission and the advisory committee must include a reasonable amount for their administrative expense in the budget plan for the trust fund. After June 30, 1991, the prorated expenses related to administration of the trust fund may not exceed an amount equal to five percent of the projected earnings of the trust fund for the biennium.

Sec. 9. Minnesota Statutes 1990, section 116P.09, subdivision 7, is amended to read:

Subd. 7. [REPORT REQUIRED.] The commission shall, by July 1 January 15 of each ~~even-numbered~~ odd-numbered year, submit a report to the governor, the chairs of the house appropriations and senate finance committees, and the chairs of the house and senate committees on environment and natural resources. Copies of the report must be available to the public. The report must include:

- (1) a copy of the current strategic plan;
- (2) a description of each project receiving money from the trust fund and Minnesota future resources ~~account~~ fund during the preceding ~~two years~~ biennium;
- (3) a summary of any research project completed in the preceding ~~two years~~ biennium;
- (4) recommendations to implement successful projects and programs into a state agency's standard operations;
- (5) to the extent known by the commission, descriptions of the projects anticipated to be supported by the trust fund and Minnesota future resources account during the next ~~two years~~ biennium;
- (6) the source and amount of all revenues collected and distributed by the commission, including all administrative and other expenses;
- (7) a description of the ~~trust fund's~~ trust fund's assets and liabilities of the trust fund and the Minnesota future resources fund;

(8) any findings or recommendations that are deemed proper to assist the legislature in formulating legislation;

(9) a list of all gifts and donations with a value over \$1,000; and

(10) a comparison of the amounts spent by the state for environment and natural resources activities through the most recent fiscal year; and.

~~(11) a copy of the most recent certified financial and compliance audit.~~

Sec. 10. [NATIVE PLANT CENTER GRANT TRANSFER.]

Any remaining balance of the grant made in Laws 1989, chapter 335, article 1, section 8, for the establishment and operation of a midwest native plant center and any property acquired through that grant shall be transferred by June 1, 1991, to the commissioner of natural resources to be administered consistent with the purposes of the original grant.

Sec. 11. [REPEALER.]

Minnesota Statutes 1990, section 116P.04, subdivision 5, is repealed."

Delete the title and insert:

"A bill for an act relating to the environment; clarifying and correcting provisions relating to the legislative commission on Minnesota resources and the Minnesota environmental and natural resources trust fund; providing for transfer of funds relating to the midwest native plant center; amending Minnesota Statutes 1990, sections 116P.05; 116P.06; 116P.07; 116P.08, subdivisions 3 and 4; 116P.09, subdivisions 2, 4, 5, and 7; repealing Minnesota Statutes 1990, section 116P.04, subdivision 5."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 695 and 930 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 397 and 621 were read for the second time.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Simoneau requested immediate consideration of H. F. Nos. 11, 321, 678 and 655.

H. F. No. 11 was reported to the House.

Welle moved to amend H. F. No. 11, the second engrossment, as follows:

Page 1, line 4, delete "21" and insert "18"

The motion prevailed and the amendment was adopted.

H. F. No. 11, A bill for an act relating to human services; modifying reimbursement for outpatient services provided by pediatric specialty hospitals to children under age 18 under the medical assistance and general assistance medical care programs; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256B.

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	Carruthers	Gruenes	Johnson, A.	Lourey
Anderson, I.	Clark	Gutknecht	Johnson, R.	Lynch
Anderson, R.	Cooper	Hanson	Johnson, V.	Macklin
Anderson, R. H.	Dauner	Hartle	Kahn	Mariani
Battaglia	Davids	Hasskamp	Kalis	Marsh
Bauerly	Dawkins	Haukoos	Kelso	McEachern
Beard	Dempsey	Hausman	Kinkel	McGuire
Begich	Dille	Heir	Knickerbocker	McPherson
Bertram	Dorn	Henry	Koppendrayner	Milbert
Bettermann	Erhardt	Hufnagle	Krinkie	Morrison
Bishop	Farrell	Hugoson	Krueger	Munger
Blatz	Frederick	Jacobs	Lasley	Murphy
Bodahl	Frerichs	Janezich	Leppik	Nelson, K.
Boo	Garcia	Jaros	Lieder	Nelson, S.
Brown	Girard	Jefferson	Limmer	Newinski
Carlson	Goodno	Jennings	Long	O'Connor

Ogren	Pauly	Schafer	Steensma	Waltman
Olsen, S.	Pellow	Scheid	Sviggum	Weaver
Olson, E.	Pelowski	Schreiber	Swenson	Wejcmann
Olson, K.	Peterson	Seaberg	Thompson	Welker
Omann	Pugh	Segal	Tompkins	Welle
Onnen	Reding	Simoneau	Trimble	Wenzel
Orenstein	Rice	Skoglund	Tunheim	Winter
Orfield	Rodosovich	Smith	Uphus	Spk. Vanasek
Osthoff	Rukavina	Solberg	Valento	
Ostrom	Runbeck	Sparby	Vellenga	
Ozment	Sarna	Stanius	Wagenius	

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

H. F. No. 321, A bill for an act relating to marriage dissolution; requiring a summons to contain certain information; providing for court approval of certain items without a hearing; providing for payment of investigation costs; limiting joint custody; creating a summary dissolution pilot project; appropriating money for marriage dissolution education and orientation; amending Minnesota Statutes 1990, sections 518.13, by adding a subdivision; 518.167, by adding a subdivision; and 518.17, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 518.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 115 yeas and 17 nays as follows:

Those who voted in the affirmative were:

Abrams	Garcia	Koppendrayner	O'Connor	Sarna
Anderson, I.	Goodno	Krinkie	Ogren	Scheid
Anderson, R.	Greenfield	Krueger	Olsen, S.	Segal
Battaglia	Gruenes	Lasley	Olson, E.	Simoneau
Bauerly	Hanson	Leppik	Olson, K.	Skoglund
Beard	Hartle	Lieder	Omann	Solberg
Begich	Hasskamp	Limmer	Onnen	Sparby
Bertram	Haukoos	Long	Orenstein	Steensma
Bishop	Hausman	Lourey	Orfield	Sviggum
Blatz	Hufnagle	Lynch	Osthoff	Swenson
Bodahl	Hugoson	Macklin	Ostrom	Thompson
Boo	Jacobs	Mariani	Ozment	Trimble
Brown	Janezich	Marsh	Pauly	Tunheim
Carlson	Jaros	McEachern	Pellow	Uphus
Carruthers	Jefferson	McGuire	Pelowski	Valento
Clark	Jennings	McPherson	Peterson	Vellenga
Cooper	Johnson, A.	Milbert	Pugh	Wagenius
Dauner	Johnson, R.	Morrison	Reding	Weaver
Dawkins	Kahn	Munger	Rest	Wejcmann
Dille	Kalis	Murphy	Rice	Welle
Dorn	Kelso	Nelson, K.	Rodosovich	Wenzel
Farrell	Kinkel	Nelson, S.	Rukavina	Winter
Frederick	Knickerbocker	Newinski	Runbeck	Spk. Vanasek

Those who voted in the negative were:

Anderson, R. H.	Frerichs	Henry	Smith	Welker
Bettermann	Girard	Johnson, V.	Stanius	
Davids	Gutknecht	Schafer	Tompkins	
Dempsey	Heir	Seaberg	Waltman	

The bill was passed and its title agreed to.

H. F. No. 678 was reported to the House.

Runbeck, Vellenga, Pellow, Dempsey and Newinski moved to amend H. F. No. 678, the second engrossment, as follows:

Page 1, lines 7 and 8, delete “state court administrator” and insert “chief justice of the supreme court”

Page 2, line 4, delete “and”

Page 2, line 5, after “system” insert “and four public members”

The motion prevailed and the amendment was adopted.

H. F. No. 678, A bill for an act relating to juveniles; requiring a study of the juvenile certification process; appropriating money.

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	Dawkins	Henry	Leppik	Ogren
Anderson, I.	Dempsey	Hufnagle	Lieder	Olsen, S.
Anderson, R. H.	Dille	Hugoson	Limmer	Olsen, E.
Battaglia	Dorn	Jacobs	Long	Olsen, K.
Bauerly	Erhardt	Janezich	Lourey	Omann
Beard	Farrell	Jaros	Lynch	Onnen
Begich	Frederick	Jefferson	Macklin	Orenstein
Bertram	Frerichs	Jennings	Mariani	Orfield
Bettermann	Garcia	Johnson, A.	Marsh	Osthoff
Bishop	Girard	Johnson, R.	McEachern	Ostrom
Blatz	Goodno	Johnson, V.	McGuire	Ozment
Bodahl	Greenfield	Kahn	McPherson	Pauly
Boo	Gruenes	Kalis	Milbert	Pellow
Brown	Gutknecht	Kelso	Morrison	Pelowski
Carlson	Hanson	Kinkel	Munger	Peterson
Carruthers	Hartle	Knickerbocker	Murphy	Pugh
Clark	Hasskamp	Koppendrayer	Nelson, K.	Reding
Cooper	Haukoos	Krinkie	Nelson, S.	Rest
Dauner	Hausman	Krueger	Newinski	Rice
Davids	Heir	Lasley	O'Connor	Rodosovich

Rukavina	Segal	Steensma	Uphus	Welker
Runbeck	Simoneau	Sviggum	Valento	Welle
Sarna	Skoglund	Swenson	Vellenga	Wenzel
Schafer	Smith	Thompson	Wagenius	Winter
Scheid	Solberg	Tompkins	Waltman	Spk. Vanasek
Schreiber	Sparby	Trimble	Weaver	
Seaberg	Stanis	Tunheim	Wejeman	

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

H. F. No. 655 was reported to the House.

Dempsey and Olson, E., moved to amend H. F. No. 655, the first engrossment, as follows:

Page 14, after line 14, insert:

"Sec. 7. Minnesota Statutes 1990, section 174A.06, is amended to read:

174A.06 [CONTINUATION OF RULES.]

Orders and directives heretofore in force, issued or promulgated by the public service commission, public utilities commission, or the department of transportation under authority of chapters 216A, 218, 219, and 221 remain and continue in force and effect until repealed, modified, or superseded by duly authorized orders or directives of the transportation regulation board. Rules adopted by the public service commission, public utilities commission or the department of transportation under authority of the following sections are transferred to the transportation regulation board and continue in force and effect until repealed, modified, or superseded by duly authorized rules of the transportation regulation board:

(1) section 218.041 except rules related to the form and manner of filing railroad rates, railroad accounting rules, and safety rules;

(2) section 219.40;

(3) rules relating to rates or tariffs, or the granting, limiting, or modifying of permits or certificates of convenience and necessity under section 221.031, subdivision 1;

(4) rules relating to the sale, assignment, pledge, or other transfer of a stock interest in a corporation holding authority to operate as a permit carrier as prescribed in section 221.151, subdivision 1, ~~or a local cartage carrier under section 221.296, subdivision 8;~~

(5) rules relating to rates, charges, and practices under section 221.161, subdivision 4; and

(6) rules relating to rates, tariffs, or the granting, limiting, or modifying of permits under sections 221.121, and 221.151, ~~and~~

~~221.296~~ or certificates of convenience and necessity under section 221.071.

~~The board shall review the transferred rules, orders, and directives and, when appropriate, develop and adopt new rules, orders, or directives within 18 months of July 1, 1985. rules and orders of the commissioner and the board."~~

Page 17, after line 14, insert:

"Sec. 11. Minnesota Statutes 1990, section 221.141, subdivision 4, is amended to read:

Subd. 4. [IRREGULAR ROUTE CARRIERS OF HOUSEHOLD GOODS.] ~~An irregular route common carrier of A household goods carrier shall maintain in effect cargo insurance or cargo bond in the amount of \$50,000 and shall file with the commissioner a cargo certificate of insurance or cargo bond. A cargo certificate of insurance must conform to Form H, Uniform Motor Cargo Certificate of Insurance, described in Code of Federal Regulations, title 49, part 1023. A cargo bond must conform to Form J, described in Code of Federal Regulations, title 49, part 1023. Both Form H and Form J are incorporated by reference. The cargo certificate of insurance or cargo bond must be issued in the full and correct name of the person, corporation, or partnership to whom the irregular route common carrier of household goods permit was issued and household goods carrier whose operations are being insured. A carrier that was issued a permit as an irregular route common carrier of household goods before August 1, 1989, shall obtain and file a cargo certificate of insurance or bond within 90 days of August 1, 1989.~~

Sec. 12. [221.297] [MOTOR CARRIERS OF PROPERTY; INAPPLICABILITY.]

On any after July 1, 1992, the provisions of sections 221.021; 221.0315; 221.041; 221.051; 221.061; 221.071; 221.081; 221.111; 221.121; 221.122; 221.123; 221.131; 221.132; 221.151; 221.161; 221.165; 221.171; 221.185; 221.251; and 221.291. Subdivisions 4 and 5 do not apply to motor carriers of property or to the transportation of property by motor vehicle.

Sec. 13. [REPEALER.]

Minnesota Statutes 1990, sections 221.011, subdivisions 10, 12, 18, 25, and 28; 221.101; and 221.296 are repealed."

Page 17, line 16, delete "Section 1 is" and insert "Sections 1, 7, 11, 12, and 13 are"

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 Dempsey and Olson, E., amendment and the roll was called. There were 77 yeas and 51 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Johnson, V.	Olsen, S.	Skoglund
Anderson, I.	Erhardt	Kinkel	Olson, E.	Smith
Anderson, R.	Frederick	Knickerbocker	Olson, K.	Sparby
Anderson, R. H.	Frerichs	Koppendraye	Omann	Stanius
Battaglia	Girard	Krinkie	Onnen	Sviggum
Begich	Goodno	Krueger	Ostrom	Swenson
Bettermann	Gruenes	Leppik	Ozment	Thompson
Bishop	Gutknecht	Limmer	Pauly	Tompkins
Blatz	Hartle	Lynch	Pellow	Uphus
Boo	Haukoos	Macklin	Pelowski	Waltman
Carruthers	Heir	Marsh	Peterson	Weaver
Cooper	Henry	McPherson	Pugh	Welker
Dauner	Hufnagle	Morrison	Rice	Welle
Davids	Hugoson	Murphy	Schafer	
Dempsey	Jennings	Newmski	Schreiber	
Dille	Johnson, R.	O'Connor	Seaberg	

Those who voted in the negative were:

Bauerly	Hanson	Lourey	Reding	Valento
Beard	Hausman	Mariani	Rest	Vellenga
Bertram	Jacobs	McEachern	Rodosovich	Wagenius
Bodahl	Janezich	McGuire	Rukavina	Wejzman
Brown	Jaros	Milbert	Runbeck	Wenzel
Carlson	Jefferson	Munger	Sarna	Winter
Clark	Johnson, A.	Nelson, K.	Segal	Spk. Vanasek
Dawkins	Kahn	Nelson, S.	Simoneau	
Farrell	Kalis	Ogren	Steensma	
Garcia	Lasley	Orfield	Trimble	
Greenfield	Long	Osthoff	Tunheim	

The motion prevailed and the amendment was adopted.

H. F. No. 655, A bill for an act relating to traffic regulations; establishing maximum height for rear bumpers of certain semitrailers; allowing certain equipment to be excluded from computing the maximum allowable length of a semitrailer or trailer used in a three-vehicle combination; providing an exception to the length limitation on certain vehicle combinations; limiting maximum weight allowed on certain vehicle tires; conforming state highway weight limitations to federal requirements; imposing a cost-per-mile fee on certain overweight vehicles; adding an exemption to the motor

carrier act; authorizing a variance for small cargo tanks; establishing the initial motor carrier contact program; amending Minnesota Statutes 1990, sections 169.73, subdivision 4a; 169.81, subdivisions 2 and 3; 169.825, subdivisions 8 and 10; 169.86, subdivision 5; 174A.06; 221.025; 221.141, subdivision 4; and 221.033, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1990, sections 221.011, subdivisions 10, 12, 18, 25, and 28; 221.101; and 221.296.

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 5 nays as follows:

Those who voted in the affirmative were:

Abrams	Farrell	Kalis	O'Connor	Segal
Anderson, I.	Frederick	Kelso	Ogren	Simoneau
Anderson, R.	Frerichs	Kinkel	Olsen, S.	Skoglund
Anderson, R. H.	Girard	Knickerbocker	Olson, E.	Smith
Battaglia	Goodno	Koppendrayner	Olson, K.	Solberg
Bauerly	Greenfield	Krinkie	Omann	Stanius
Beard	Gruenes	Krueger	Onnen	Steensma
Begich	Gutknecht	Leppik	Orenstein	Sviggum
Bertram	Hanson	Lieder	Orfield	Swenson
Bettermann	Hartle	Limmer	Ostrom	Thompson
Bishop	Hasskamp	Long	Ozment	Tompkins
Blatz	Haukoos	Lourey	Pauly	Tunheim
Bodahl	Hausman	Lynch	Pellow	Uphus
Boo	Heir	Macklin	Pelowski	Valento
Brown	Henry	Mariani	Peterson	Vellenga
Carlson	Hufnagle	Marsh	Pugh	Wagenius
Carruthers	Hugoson	McEachern	Reding	Waltman
Clark	Jacobs	McGuire	Rest	Weaver
Cooper	Janezich	McPherson	Rice	Wejzman
Dauner	Jaros	Milbert	Rodosovich	Welker
Davids	Jefferson	Morrison	Rukavina	Welle
Dawkins	Jennings	Munger	Runbeck	Wenzel
Dempsey	Johnson, A.	Murphy	Sarna	Winter
Dille	Johnson, R.	Nelson, K.	Schafer	Spk. Vanasek
Dorn	Johnson, V.	Nelson, S.	Schreiber	
Erhardt	Kahn	Newinski	Seaberg	

Those who voted in the negative were:

Garcia	Lasley	Osthoff	Scheid	Trimble
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The bill was passed, as amended, and its title agreed to.

The Speaker resumed the Chair.

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

McPherson moved that H. F. No. 1047 be returned to its author. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 687:

Trimble, Lynch and McGuire.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 880:

Sparby, Hasskamp and Frerichs.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1027:

Johnson, R.; Johnson, V., and Rukavina.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 1:00 p.m., Tuesday, May 14, 1991. 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., Tuesday, May 14, 1991.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SEVENTH SESSION—1991

FIFTY-THIRD DAY

SAINT PAUL, MINNESOTA, TUESDAY, MAY 14, 1991

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 roll was called and the following members were present:

Abrams	Frederick	Kelso	Ogren	Segal
Anderson, I.	Frerichs	Kinkel	Olsen, S.	Simoneau
Anderson, R.	Garcia	Knickerbocker	Olson, E.	Skoglund
Anderson, R. H.	Girard	Koppendrayner	Olson, K.	Smith
Battaglia	Goodno	Krinkie	Omann	Solberg
Bauerly	Greenfield	Krueger	Onnen	Sparby
Beard	Gruenes	Lasley	Orenstein	Stanius
Begich	Gutknecht	Leppik	Orfield	Steenasma
Bertram	Hanson	Lieder	Osthoff	Sviggum
Bettermann	Hartle	Limmer	Ostrom	Swenson
Bishop	Hasskamp	Long	Ozment	Thompson
Blatz	Haukoos	Lourey	Pauly	Tompkins
Bodahl	Hausman	Lynch	Pellow	Trimble
Boo	Heir	Macklin	Pelowski	Tunheim
Brown	Henry	Mariani	Peterson	Uphus
Carlson	Hufnagle	Marsh	Pugh	Valento
Carruthers	Hugoson	McEachern	Reding	Vellenga
Clark	Jacobs	McGuire	Rest	Wagenius
Cooper	Janezich	McPherson	Rice	Waltman
Dauner	Jaros	Milbert	Rodosovich	Weaver
Davids	Jefferson	Morrison	Rukavina	Wejzman
Dawkins	Jennings	Munger	Runbeck	Welker
Dempsey	Johnson, A.	Murphy	Sarna	Welle
Dille	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dorn	Johnson, V.	Nelson, S.	Scheid	Winter
Erhardt	Kahn	Newinski	Schreiber	Spk. Vanasek
Farrell	Kalis	O'Connor	Seaberg	

A quorum was present.

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

S. F. No. 208 and H. F. No. 463, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Lasley moved that the rules be so far suspended that S. F. No. 208 be substituted for H. F. No. 463 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 351 and H. F. No. 67, 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. 351 be substituted for H. F. No. 67 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 735 and H. F. No. 667, 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. 735 be substituted for H. F. No. 667 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 764 and H. F. No. 748, 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. 764 be substituted for H. F. No. 748 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 858 and H. F. No. 1238, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Limmer moved that the rules be so far suspended that S. F. No. 858 be substituted for H. F. No. 1238 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 928 and H. F. No. 1215, 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. 928 be substituted for H. F. No. 1215 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1164 and H. F. No. 1457, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Janezich moved that the rules be so far suspended that S. F. No. 1164 be substituted for H. F. No. 1457 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1179 and H. F. No. 1420, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Rest moved that the rules be so far suspended that S. F. No. 1179 be substituted for H. F. No. 1420 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1244 and H. F. No. 1415, 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. 1244 be substituted for H. F. No. 1415 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1289 and H. F. No. 1417, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Blatz moved that S. F. No. 1289 be substituted for H. F. No. 1417 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

May 9, 1991

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

Dear Representative Vanasek:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 246, relating to alcoholic beverages; allowing proof of age by means of a Canadian identification card.

H. F. No. 877, relating to game and fish; authorizing the commis-

sioner to establish special seasons for persons with a physical disability to take game with firearms and by archery.

H. F. No. 179, relating to animals; prohibiting greyhound races using live lures and training of greyhounds for racing using live lures.

Warmest regards,

ARNE H. CARLSON
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 10, 1991

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

Dear Representative Vanasek:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 954, relating to retirement; public employees retirement association; granting the equivalent of two months maternity leave to a certain St. Louis county employee.

H. F. No. 274, relating to commerce; motor vehicle sales and distribution; regulating franchises; proscribing certain acts; providing remedies.

H. F. No. 415, relating to commerce; regulating farm equipment dealerships.

H. F. No. 832, relating to commerce; regulating heavy and utility equipment dealership agreements; providing for returns and repurchases under certain circumstances; providing remedies.

H. F. No. 620, relating to state lands; authorizing the sale of

certain land in Cook county; authorizing the private sale of certain state lands in St. Louis county.

Warmest regards,

ARNE H. CARLSON
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 1991 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>1991</i>	<i>Date Filed</i> <i>1991</i>
	954	66	9:10 a.m. May 10	May 10
	246	68	2:15 p.m. May 9	May 9
	274	69	9:13 a.m. May 10	May 10
	415	70	9:15 a.m. May 10	May 10
	832	71	9:18 a.m. May 10	May 10
	877	72	2:18 p.m. May 9	May 9
	620	73	9:21 a.m. May 10	May 10
	179	74	2:23 p.m. May 9	May 9

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

SECOND READING OF SENATE BILLS

S. F. Nos. 208, 351, 735, 764, 858, 928, 1164, 1179, 1244 and 1289 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Bishop, Solberg, Vellenga and Milbert introduced:

H. F. No. 1693, 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 1990, section 302.461, subdivision 2, as amended.

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

Marsh and Kalis introduced:

H. F. No. 1694, A bill for an act relating to traffic regulation; prohibiting radar detectors; providing for payments, forms, and records; amending Minnesota Statutes 1990, sections 169.99, subdivision 1b; and 171.12, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 169.

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

Winter introduced:

H. F. No. 1695, A bill for an act relating to human services; allowing intermediate care facilities for persons with mental retardation and related conditions to provide special transportation services without certification by the commissioner of transportation; amending Minnesota Statutes 1990, section 256B.0625, subdivision 17.

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

Smith introduced:

H. F. No. 1696, A bill for an act relating to taxation; providing for homestead classification of all one-, two-, and three-unit dwellings; restricting homestead eligibility for other dwellings; amending Minnesota Statutes 1990, sections 273.124, subdivisions 1, 2, 8, 11, and 12; and 273.13, subdivision 25; repealing Minnesota Statutes 1990, section 273.124, subdivisions 7, 10, 13, 15, and 16.

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

Ogren, Jacobs and Rest introduced:

H. F. No. 1697, A bill for an act relating to public administration; providing for an expenditure budget for taxes every two years; providing access to certain records classified under tax statutes; providing for display of a portrait of a governor in the capitol building; amending Minnesota Statutes 1990, sections 138.17, subdivision 1a; and 270.67, subdivisions 1 and 2.

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

Ogren, Jacobs and Rest introduced:

H. F. No. 1698, A bill for an act relating to taxation; income; providing a working family credit; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 290.

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

HOUSE ADVISORIES

The following House Advisory was introduced:

Runbeck, Welle, Swenson, Kelso and Cooper introduced:

H. A. No. 29, A proposal to study state and privately funded food supplement programs.

The advisory was referred to the Committee on Health and Human Services.

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

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. 132, A bill for an act relating to energy; improving energy efficiency by prohibiting incandescent lighting in certain exit signs; requiring amendments to building codes and standards to increase energy efficiency; requiring state agencies to use funds allocated for utility expenditures to buy nonincandescent bulbs; amending Minnesota Statutes 1990, sections 16B.61, subdivision 3; and 299F.011, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 16B.

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:

House Concurrent Resolution No. 1, A house concurrent resolution relating to congressional redistricting; establishing standards for redistricting plans.

The Senate has repassed said concurrent resolution in accordance with the recommendation and report of the Conference Committee. Said House Concurrent Resolution 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:

House Concurrent Resolution No. 2, A house concurrent resolution relating to legislative redistricting; establishing standards for redistricting plans.

The Senate has repassed said concurrent resolution in accordance with the recommendation and report of the Conference Committee. Said House Concurrent Resolution 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. 594, A bill for an act relating to foreign money claims; enacting the uniform foreign-money claims act; proposing coding for new law in Minnesota Statutes, chapter 548.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Orfield moved that the House concur in the Senate amendments to H. F. No. 594 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 594, A bill for an act relating to money; enacting the uniform foreign-money claims act; making clarifying and technical changes to garnishment and execution laws; amending Minnesota Statutes 1990, sections 550.136, subdivisions 3 and 10; 551.06, subdivisions 3 and 10; 571.75, subdivision 2; and 571.922; proposing coding for new law in Minnesota Statutes, chapter 548.

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	Dempsey	Janezich	Macklin	Ostrom
Anderson, I.	Dille	Jaros	Mariani	Ozment
Anderson, R.	Dorn	Jefferson	Marsh	Pellow
Anderson, R. H.	Erhardt	Jennings	McEachern	Pelowski
Battaglia	Farrell	Johnson, A.	McGuire	Peterson
Bauerly	Frerichs	Johnson, R.	McPherson	Pugh
Beard	Garcia	Johnson, V.	Milbert	Reding
Begich	Girard	Kahn	Morrison	Rest
Bertram	Goodno	Kalis	Munger	Rice
Bettermann	Greenfield	Kelso	Murphy	Rodosovich
Bishop	Gruenes	Kinkel	Nelson, K.	Rukavina
Blatz	Gutknecht	Knickerbocker	Nelson, S.	Runbeck
Bodahl	Hanson	Koppendrayer	O'Connor	Sarna
Boo	Hartle	Krinkie	Ogren	Schafer
Brown	Hasskamp	Krueger	Olsen, S.	Scheid
Carlson	Haukoos	Lasley	Olson, E.	Seaberg
Carruthers	Hausman	Leppik	Olson, K.	Segal
Clark	Heir	Lieder	Omann	Simoneau
Cooper	Henry	Limmer	Onnen	Skoglund
Dauner	Hufnagle	Long	Orenstein	Smith
Dauids	Hugoson	Lourey	Orfield	Solberg
Dawkins	Jacobs	Lynch	Osthoff	Sparby

Stanis	Thompson	Uphus	Waltman	Welle
Steensma	Tompkins	Valento	Weaver	Wenzel
Swiggum	Trimble	Vellenga	Wejzman	Winter
Swenson	Tunheim	Wagenius	Welker	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. 1326, A bill for an act relating to economic development; providing a preference for outdoor recreation grants; stating the legislative intent that this act is not intended to alter the existing divisions of grants; amending Minnesota Statutes 1990, section 116J.980, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Clark moved that the House concur in the Senate amendments to H. F. No. 1326 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1326, A bill for an act relating to economic development; providing a preference for outdoor recreation grants; amending Minnesota Statutes 1990, section 116J.980, 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 101 yeas and 31 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Carruthers	Hasskamp	Krueger	Nelson, K.
Anderson, R.	Clark	Hausman	Leppik	Nelson, S.
Anderson, R. H.	Cooper	Hufnagle	Lieder	Newinski
Battaglia	Dauner	Jacobs	Long	O'Connor
Bauerly	Dawkins	Janezich	Lourey	Ogren
Beard	Dempsey	Jaros	Lynch	Olson, E.
Begich	Dille	Jefferson	Mariani	Olson, K.
Bertram	Dorn	Jennings	Marsh	Omann
Bettermann	Farrell	Johnson, A.	McEachern	Onnen
Bishop	Garcia	Johnson, R.	McGuire	Orenstein
Blatz	Goodno	Kahn	Milbert	Orfield
Bodahl	Greenfield	Kalis	Morrison	Osthoff
Brown	Gruenes	Kelso	Munger	Ostrom
Carlson	Hanson	Kinkel	Murphy	Ozment

Pelowski	Rukavina	Simoneau	Tunheim	Wenzel
Peterson	Runbeck	Skoglund	Uphus	Winter
Pugh	Sarna	Solberg	Vellenga	Spk. Vanasek
Reding	Scheid	Sparby	Wagenius	
Rest	Schreiber	Steensma	Waltman	
Rice	Seaberg	Thompson	Wejcman	
Rodosovich	Segal	Trimble	Welle	

Those who voted in the negative were:

Abrams	Hartle	Koppendraye	Pellow	Valento
Boo	Haukoos	Krinkie	Schafer	Weaver
Dauids	Heir	Limmer	Smith	Welker
Erhardt	Henry	Macklin	Stanius	
Frerichs	Hugoson	McPherson	Sviggum	
Girard	Johnson, V.	Olsen, S.	Swenson	
Gutknecht	Knickerbocker	Pauly	Tompkins	

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. 1509, A bill for an act relating to water resources; allowing certain land to be used as a veterans cemetery under certain circumstances; amending Minnesota Statutes 1990, section 103F.369, subdivision 2, and by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Wenzel moved that the House concur in the Senate amendments to H. F. No. 1509 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1509, A bill for an act relating to water resources; allowing certain land to be used as a veterans cemetery under certain circumstances; amending Minnesota Statutes 1990, section 103F.369, subdivision 2, 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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Olsen, S.	Simoneau
Anderson, I.	Garcia	Knickerbocker	Olson, E.	Skoglund
Anderson, R.	Girard	Koppendraye	Olson, K.	Smith
Anderson, R. H.	Goodno	Krinkie	Omman	Solberg
Battaglia	Greenfield	Krueger	Omnen	Sparby
Bauerly	Gruenes	Lasley	Orenstein	Stanius
Beard	Gutknecht	Leppik	Orfield	Steensma
Begich	Hanson	Lieder	Osthoff	Sviggum
Bertram	Hartle	Limmer	Ostrom	Swenson
Bettermann	Hasskamp	Long	Ozment	Thompson
Bishop	Haukoos	Lourey	Pauly	Tompkins
Blatz	Hausman	Lynch	Pellow	Trimble
Bodahl	Heir	Macklin	Pelowski	Tunheim
Boo	Henry	Mariani	Peterson	Uphus
Brown	Hufnagle	Marsh	Pugh	Valento
Carlson	Hugoson	McEachern	Reding	Vellenga
Carruthers	Jacobs	McGuire	Rest	Wagenius
Clark	Janezich	McPherson	Rice	Waltman
Cooper	Jaros	Milbert	Rodosovich	Weaver
Dauner	Jefferson	Morrison	Rukavina	Wejcman
Davids	Jennings	Munger	Runbeck	Welker
Dawkins	Johnson, A.	Murphy	Sarna	Welle
Dempsey	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dille	Johnson, V.	Nelson, S.	Scheid	Winter
Dorn	Kahn	Newinski	Schreiber	Spk. Vanasek
Erhardt	Kalis	O'Connor	Seaberg	
Farrell	Kelso	Ogren	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. 914, A bill for an act relating to state lands; authorizing Otter Tail county to return donated state land to the donor's heir; requiring that description of certain tax-forfeited land bordering public water be submitted to commissioner of natural resources before proposing legislation to permit conveyance of the land; amending Minnesota Statutes 1990, section 282.018, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Lasley moved that the House concur in the Senate amendments to H. F. No. 914 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 914, A bill for an act relating to state lands; authorizing Otter Tail county to return donated state land to the donor's heir; providing for disposition of certain tax-forfeited lands; amending Minnesota Statutes 1990, section 282.018, 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	Frerichs	Kinkel	Olsen, S.	Simoneau
Anderson, I.	Garcia	Knickerbocker	Olson, E.	Skoglund
Anderson, R.	Girard	Koppendrayar	Olson, K.	Smith
Anderson, R. H.	Goodno	Krinkie	Omann	Solberg
Battaglia	Greenfield	Krueger	Onnen	Sparby
Bauerly	Gruenes	Lasley	Orenstein	Stanius
Beard	Gutknecht	Leppik	Orfield	Steensma
Begich	Hanson	Lieder	Osthoff	Sviggum
Bertram	Hartle	Limmer	Ostrom	Swenson
Bettermann	Hasskamp	Long	Ozment	Thompson
Bishop	Haukoos	Lourey	Pauly	Tompkins
Blatz	Hausman	Lynch	Pellow	Trimble
Bodahl	Heir	Macklin	Pelowski	Tunheim
Boo	Henry	Mariani	Peterson	Uphus
Brown	Hufnagle	Marsh	Pugh	Valento
Carlson	Hugoson	McEachern	Reding	Vellenga
Carruthers	Jacobs	McGuire	Rest	Wagenius
Clark	Janezich	McPherson	Rice	Waltman
Cooper	Jaros	Milbert	Rodosovich	Weaver
Dauner	Jefferson	Morrison	Rukavina	Wejman
Dauids	Jennings	Munger	Runbeck	Welker
Dawkins	Johnson, A.	Murphy	Sarna	Welle
Dempsey	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dille	Johnson, V.	Nelson, S.	Scheid	Winter
Dorn	Kahn	Newinski	Schreiber	Spk. Vanasek
Erhardt	Kalis	O'Connor	Seaberg	
Farrell	Kelso	Ogren	Seal	

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. 128, A bill for an act relating to water; mandating requirements on certain development; amending Minnesota Statutes 1990, section 103B.3363, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 103B.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Reding moved that the House concur in the Senate amendments

to H. F. No. 128 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 128, A bill for an act relating to water; mandating requirements on certain development; amending Minnesota Statutes 1990, section 103B.3363, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 103B.

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	Frerichs	Kinkel	Olson, E.	Smith
Anderson, I.	Garcia	Knickerbocker	Omann	Solberg
Anderson, R.	Girard	Koppendrayer	Onnen	Sparby
Anderson, R. H.	Goodno	Krinkie	Orenstein	Stanius
Battaglia	Greenfield	Krueger	Orfield	Steensma
Bauerly	Gruenes	Lasley	Osthoff	Sviggun
Beard	Gutknecht	Leppik	Ostrom	Swenson
Begich	Hanson	Lieder	Ozment	Thompson
Bertram	Hartle	Limmer	Pauly	Tompkins
Bettermann	Hasskamp	Long	Pellow	Trimble
Bishop	Haukoos	Lourey	Pelowski	Tunheim
Blatz	Hausman	Lynch	Peterson	Uphus
Bodahl	Heir	Macklin	Pugh	Valento
Boo	Henry	Mariani	Reding	Vellenga
Brown	Hufnagle	Marsh	Rest	Wagenius
Carlson	Hugoson	McEachern	Rice	Waltman
Carruthers	Jacobs	McGuire	Rodosovich	Weaver
Clark	Janezich	McPherson	Rukavina	Wejcmjan
Cooper	Jaros	Milbert	Runbeck	Welker
Dauner	Jefferson	Munger	Sarna	Welle
Davids	Jennings	Murphy	Schafer	Wenzel
Dawkins	Johnson, A.	Nelson, K.	Scheid	Winter
Dempsey	Johnson, R.	Nelson, S.	Schreiber	Spk. Vanasek
Dille	Johnson, V.	Newinski	Seaberg	
Dorn	Kahn	O'Connor	Segal	
Erhardt	Kalis	Ogren	Simoneau	
Farrell	Kelso	Olsen, S.	Skoglund	

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. 71, A bill for an act relating to marriage dissolution; requiring information; providing for the content and uses of a certificate of dissolution; amending Minnesota Statutes 1990, sec-

tions 259.10; and 518.10; proposing coding for new law in Minnesota Statutes, chapter 518.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Morrison moved that the House concur in the Senate amendments to H. F. No. 71 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 71, A bill for an act relating to marriage dissolution; requiring information; providing for the content and uses of a certificate of dissolution; amending Minnesota Statutes 1990, sections 259.10; and 518.10; proposing coding for new law in Minnesota Statutes, chapter 518.

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	Frerichs	Kinkel	Olsen, S.	Simoneau
Anderson, I.	Garcia	Knickerbocker	Olson, E.	Skoglund
Anderson, R.	Girard	Koppendraye	Olson, K.	Smith
Anderson, R. H.	Goodno	Krinkie	Omann	Solberg
Battaglia	Greenfield	Krueger	Onnen	Sparby
Bauerly	Gruenes	Lasley	Orenstein	Stanius
Beard	Gutknecht	Leppik	Orfield	Steensma
Begich	Hanson	Lieder	Osthoff	Sviggum
Bertram	Hartle	Limmer	Ostrom	Swenson
Bettermann	Hasskamp	Long	Ozment	Thompson
Bishop	Haukoos	Lourey	Pauly	Tompkins
Blatz	Hausman	Lynch	Pellow	Trimble
Bodahl	Heir	Macklin	Pelowski	Tunheim
Boo	Henry	Mariani	Peterson	Uphus
Brown	Hufnagle	Marsh	Pugh	Valento
Carlson	Hugoson	McEachern	Reding	Vellenga
Carruthers	Jacobs	McGuire	Rest	Wagenius
Clark	Janezich	McPherson	Rice	Waltman
Cooper	Jaros	Milbert	Rodosovich	Weaver
Dauner	Jefferson	Morrison	Rukavina	Wejcmán
Davids	Jennings	Munger	Runbeck	Welker
Dawkins	Johnson, A.	Murphy	Sarna	Welle
Dempsey	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dille	Johnson, V.	Nelson, S.	Scheid	Winter
Dorn	Kahn	Newinski	Schreiber	Spk. Vanasek
Erhardt	Kalis	O'Connor	Seaberg	
Farrell	Kelso	Ogren	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. 74, A bill for an act relating to municipal tort liability; specifying liability for injuries caused by beach and swimming pool equipment; amending Minnesota Statutes 1990, section 466.03, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Cooper moved that the House concur in the Senate amendments to H. F. No. 74 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 74, A bill for an act relating to municipal tort liability; specifying liability for injuries caused by beach and swimming pool equipment; amending Minnesota Statutes 1990, section 466.03, by adding a subdivision.

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

The question was taken on the repassage of the bill and the roll was called. There were 129 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Johnson, A.	Milbert	Pugh
Anderson, I.	Erhardt	Johnson, R.	Morrison	Reding
Anderson, R.	Farrell	Johnson, V.	Munger	Rest
Anderson, R. H.	Frerichs	Kahn	Murphy	Rice
Battaglia	Garcia	Kalis	Nelson, K.	Rodosovich
Bauerly	Girard	Kelso	Nelson, S.	Rukavina
Beard	Goodno	Kinkel	Newinski	Runbeck
Begich	Greenfield	Knickerbocker	O'Connor	Sarna
Bertram	Gruenes	Koppendrayer	Ogren	Schafer
Bettermann	Gutknecht	Krueger	Olsen, S.	Scheid
Bishop	Hanson	Lasley	Olsen, E.	Schreiber
Blatz	Hartle	Leppik	Oison, K.	Seaberg
Bodahl	Hasskamp	Lieder	Omann	Segal
Boo	Haukoos	Limmer	Onnen	Simoneau
Brown	Hausman	Long	Orenstein	Skoglund
Carlson	Henry	Lourey	Orfield	Smith
Carruthers	Hufnagle	Lynch	Osthoff	Solberg
Clark	Hugoson	Macklin	Ostrom	Sparby
Cooper	Jacobs	Mariani	Ozment	Stanius
Dauner	Janezich	Marsh	Pauly	Steenasma
Dauids	Jaros	McEachern	Pellow	Sviggum
Dawkins	Jefferson	McGuire	Pelowski	Swenson
Dille	Jennings	McPherson	Peterson	Thompson

Tompkins
Trimble
Tunheim

Uphus
Valento
Vellenga

Wagenius
Waltman
Weaver

Wejzman
Welle
Wenzel

Winter
Spk. Vanasek

Those who voted in the negative were:

Dempsey

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. 236, A bill for an act relating to eminent domain; allowing entry onto land for environmental testing before beginning eminent domain proceedings; amending Minnesota Statutes 1990, section 117.041.

PATRICK E. FLAHAVEN, Secretary of the Senate

Solberg moved that the House refuse to concur in the Senate amendments to H. F. No. 236, 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. 693, A bill for an act relating to data practices; providing for classifications of government data; amending Minnesota Statutes 1990, sections 13.01, by adding a subdivision; 13.03, by adding a subdivision; 13.40; 13.43, subdivision 2 and by adding a subdivision; 13.55; 13.82, subdivisions 4 and 10; 13.83, subdivisions 4, 8, and by adding a subdivision; 13.84, by adding a subdivision; 144.335, by adding a subdivision; 169.09, subdivision 13; 260.161, subdivision 3; 383B.225, subdivision 6; 390.11, subdivision 7; 390.32, subdivision 6; 403.07, subdivision 4; 595.024, subdivision 3; and 626.556, subdivision 11c, and by adding a subdivision; proposing coding for new law in chapter 13.

PATRICK E. FLAHAVEN, Secretary of the Senate

Carruthers moved that the House refuse to concur in the Senate amendments to H. F. No. 693, 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. 922, A bill for an act relating to crimes; imposing a duty to investigate and render aid when a person is injured in a shooting accident; imposing penalties; providing immunity from civil liability under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 609.

PATRICK E. FLAHAVEN, Secretary of the Senate

Ostrom moved that the House refuse to concur in the Senate amendments to H. F. No. 922, 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. 1549, A resolution memorializing the President and the Congress of the United States to take action to alleviate the crisis in the Midwest dairy industry.

PATRICK E. FLAHAVEN, Secretary of the Senate

Wenzel moved that the House refuse to concur in the Senate amendments to H. F. No. 1549, 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. 126, A bill for an act relating to highways; designating the Paul Bunyan Expressway from Little Falls through Cass Lake to Bemidji; amending Minnesota Statutes 1990, section 161.14, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

Johnson, R., moved that the House refuse to concur in the Senate amendments to H. F. No. 126, 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. 21, A bill for an act relating to waste management; requiring air emission permits for new or expanded infectious waste incinerators; requiring environmental impact statements for the incinerators until new rules are adopted; proposing coding for new law in Minnesota Statutes, chapter 116.

PATRICK E. FLAHAVEN, Secretary of the Senate

Bertram moved that the House refuse to concur in the Senate amendments to H. F. No. 21, 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. 683, A bill for an act relating to alcoholic beverages; prohibiting a retailer from having an interest in a manufacturer, brewer, or wholesaler; prohibiting a retailer from renting space to a

manufacturer, brewer, or wholesaler; providing that brand registration is for a three-year period; specifying that club on-sale licenses are subject to approval of the commissioner of public safety; consolidating provisions of law relating to seasonal on-sale licenses; providing extended duration of seasonal licenses in certain counties; removing certain restrictions on location of off-sale and combination licenses issued by counties; clarifying law on issuance of off-sale licenses by counties; allowing gambling on licensed premises when governed by tribal ordinance or a tribal-state compact; clarifying language on certain prohibitions on issuance of multiple licenses and repealing obsolete provisions relating thereto; prohibiting off-site storage of intoxicating liquor; specifying applicability of license limits to certain fourth-class cities; changing the expiration date for consumption and display permits; raising the minimum age for keeping intoxicating liquor in bottle clubs; authorizing commissioner of public safety to impose civil penalties for conducting or permitting unlawful gambling on licensed premises, or for failure to remove impure products; specifying applicability to municipal liquor stores of prohibitions against permitting consumption of alcoholic beverages by underage persons; clarifying language on sales of intoxicating liquor on Christmas day; providing for Sunday liquor elections in counties; prohibiting sale of certain beverages of more than 50 percent alcohol content; authorizing commissioner of public safety to inspect alcoholic beverages for purity of contents and to order the removal of impure products; specifying that a split liquor referendum is not required for issuance of club licenses; repealing restrictions on wine sales at Minneapolis-St. Paul International Airport; authorizing issuance of an on-sale intoxicating malt liquor license in St. Louis county; authorizing the issuance of an on-sale intoxicating liquor license to a location in Duluth; amending Minnesota Statutes 1990, sections 340A.301, subdivision 7; 340A.311; 340A.402; 340A.404, subdivisions 1 and 6; 340A.405, subdivisions 2 and 6; 340A.408, subdivision 2; 340A.410, subdivision 5; 340A.412, subdivisions 2, 3, and by adding a subdivision; 340A.413, subdivision 1; 340A.414, subdivisions 4 and 8; 340A.415; 340A.503, subdivision 1; 340A.504, subdivisions 2 and 3; 340A.506; 340A.508, by adding a subdivision; 340A.601, subdivision 5; and 340A.604; proposing coding for new law in Minnesota Statutes, chapter 340A; repealing Minnesota Statutes 1990, section 340A.404, subdivision 6a.

PATRICK E. FLAHAVEN, Secretary of the Senate

Jacobs moved that the House refuse to concur in the Senate amendments to H. F. No. 683, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

S. F. No. 1466.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1466, A bill for an act relating to energy; creating an advisory task force on low-income energy assistance to establish an energy assistance foundation.

The bill was read for the first time.

Trimble moved that S. F. No. 1466 and H. F. No. 909, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed:

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Simoneau requested immediate consideration of H. F. Nos. 12, 996, 322, 303 and 2.

H. F. No. 12, A bill for an act relating to insurance; regulating reinsurance and other insurance practices, investments, guaranty funds, and holding company systems; providing examination authority and reporting requirements; adopting various NAIC model acts and regulations; prescribing penalties; amending Minnesota Statutes 1990, sections 60A.02, by adding a subdivision; 60A.03, subdivision 5; 60A.031; 60A.07, subdivision 5d, and by adding a subdivision; 60A.09, subdivision 5, and by adding a subdivision; 60A.10, subdivision 2a; 60A.11, subdivisions 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 26, and by adding a subdivision; 60A.12, by adding a subdivision; 60A.13, subdivision 1; 60A.14, subdivision 1; 60A.27; 60B.25; 60B.37, subdivision 2; 60C.02, subdivision 1; 60C.03, subdivisions 6, 8, and by adding a subdivision; 60C.04; 60C.06, subdivision 1; 60C.09, subdivision 1; 60C.13, subdivision 1; 60C.14, subdivision 2; 60E.04, subdivision 7; 61A.25, subdivisions 3, 5, 6, and by adding subdivisions; 61A.28, subdivisions 1, 2, 3, 6, 8, 11, 12, and by adding a subdivision; 61A.281, by adding a subdivision; 61A.283; 61A.29; 61A.31; 62E.14, by adding a subdivision; 61B.12, by adding subdivisions; 62D.044; 62D.045, subdivision 1; 68A.01, subdivision 2; 72A.061, subdivision 1; 79.34, subdivision 1;

and 609.902, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 60A, 60D, 62A, and 72A; proposing coding for new law as Minnesota Statutes, chapters 60H, 60I, and 60J; repealing Minnesota Statutes 1990, sections 60A.076; 60A.09, subdivision 4; 60A.12, subdivision 2; 60D.01 to 60D.08; 60D.10 to 60D.13; and 61A.28, subdivisions 4 and 5.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Abrams	Garcia	Knickerbocker	Olson, E.	Simoneau
Anderson, I.	Girard	Koppendrayner	Olson, K.	Skoglund
Anderson, R.	Goodno	Krueger	Omann	Smith
Anderson, R. H.	Greenfield	Lasley	Onnen	Solberg
Battaglia	Gruenes	Leppik	Orenstein	Sparby
Bauerly	Gutknecht	Lieder	Orfield	Stanius
Beard	Hanson	Limmer	Osthoff	Steensma
Begich	Hartle	Long	Ostrom	Sviggum
Bertram	Hasskamp	Lourey	Ozment	Swenson
Bettermann	Haukoos	Lynch	Pauly	Thompson
Bishop	Hausman	Macklin	Pellow	Tompkins
Blatz	Henry	Mariani	Pelowski	Trimble
Bodahl	Hufnagle	Marsh	Peterson	Tunheim
Boo	Hugoson	McEachern	Pugh	Uphus
Brown	Jacobs	McGuire	Reding	Valento
Carlson	Janezich	McPherson	Rest	Vellenga
Carruthers	Jaros	Milbert	Rice	Wagenius
Clark	Jefferson	Morrison	Rodosovich	Waltman
Cooper	Jennings	Munger	Rukavina	Weaver
Dauner	Johnson, A.	Murphy	Runbeck	Wejman
Dawkins	Johnson, R.	Nelson, K.	Sarna	Welle
Dempsey	Johnson, V.	Nelson, S.	Schafer	Wenzel
Dille	Kahn	Newinski	Scheid	Winter
Dorn	Kalis	O'Connor	Schreiber	Spk. Vanasek
Erhardt	Kelso	Ogren	Seaberg	
Farrell	Kinkel	Olsen, S.	Segal	

Those who voted in the negative were:

Davids	Frerichs	Heir	Krinkie	Welker
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The bill was passed and its title agreed to.

H. F. No. 996, A bill for an act relating to utilities; requiring that applicants under the telephone assistance plan be certified by the department of human services for eligibility before receiving benefits; requiring reports; amending Minnesota Statutes 1990, section 237.70, subdivision 7.

The bill was read for the third time and placed upon its final passage.

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

Those who voted in the affirmative were:

Abrams	Ferichs	Kinkel	Olsen, S.	Simoneau
Anderson, I.	Garcia	Knickerbocker	Olson, E.	Skoglund
Anderson, R.	Girard	Koppendrayer	Olson, K.	Smith
Anderson, R. H.	Goodno	Krinkie	Omann	Solberg
Battaglia	Greenfield	Krueger	Onnen	Sparby
Bauerly	Gruenes	Lasley	Orenstein	Stanius
Beard	Gutknecht	Leppik	Orfield	Steensma
Begich	Hanson	Lieder	Osthoff	Sviggum
Bertram	Hartle	Limmer	Ostrom	Swenson
Bettermann	Hasskamp	Long	Ozment	Thompson
Bishop	Haukoos	Lourey	Pauly	Tompkins
Blatz	Hausman	Lynch	Pellow	Trimble
Bodahl	Heir	Macklin	Pelowski	Tunheim
Boo	Henry	Mariani	Peterson	Uphus
Brown	Hufnagle	Marsh	Pugh	Valento
Carlson	Hugoson	McEachern	Reding	Vellenga
Carruthers	Jacobs	McGuire	Rest	Wagenius
Clark	Janezich	McPherson	Rice	Waltman
Cooper	Jaros	Milbert	Rodosovich	Weaver
Dauner	Jefferson	Morrison	Rukavina	Wejzman
Davids	Jennings	Munger	Runbeck	Welker
Dawkins	Johnson, A.	Murphy	Sarna	Welle
Dempsey	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dille	Johnson, V.	Nelson, S.	Scheid	Winter
Dorn	Kahn	Newinski	Schreiber	Spk. Vanasek
Erhardt	Kalis	O'Connor	Seaberg	
Farrell	Kelso	Ogren	Segal	

The bill was passed and its title agreed to.

H. F. No. 322, A bill for an act relating to waste management expenditures; requiring the state resource recovery program to establish a central materials recovery facility and centralized collection and transportation of recyclable materials from state offices and operations; amending Minnesota Statutes 1990, section 115A.15, subdivision 6, and by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

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

Those who voted in the affirmative were:

Abrams	Begich	Brown	Dawkins	Garcia
Anderson, I.	Bertram	Carlson	Dempsey	Girard
Anderson, R.	Bettermann	Carruthers	Dille	Goodno
Anderson, R. H.	Bishop	Clark	Dorn	Greenfield
Battaglia	Blatz	Cooper	Erhardt	Gruenes
Bauerly	Bodahl	Dauner	Farrell	Gutknecht
Beard	Boo	Davids	Ferichs	Hanson

Hartle	Knickerbocker	Murphy	Pugh	Sviggum
Hasskamp	Koppendrayner	Nelson, K.	Reding	Swenson
Haukoos	Krinkie	Nelson, S.	Rest	Thompson
Hausman	Krueger	Newinski	Rice	Tompkins
Heir	Lasley	O'Connor	Rodosovich	Trimble
Henry	Leppik	Ogren	Rukavina	Tunheim
Hufnagle	Lieder	Olsen, S.	Runbeck	Uphus
Hugoson	Limmer	Olson, E.	Sarna	Valento
Jacobs	Long	Olson, K.	Schafer	Vellenga
Janezich	Lourey	Omann	Scheid	Wagenius
Jaros	Lynch	Onnen	Schreiber	Waltman
Jefferson	Macklin	Orenstein	Seaberg	Weaver
Jennings	Mariani	Orfield	Segal	Wejzman
Johnson, A.	Marsh	Osthoff	Simoneau	Welker
Johnson, R.	McEachern	Ostrom	Skoglund	Welle
Johnson, V.	McGuire	Ozment	Smith	Wenzel
Kahn	McPherson	Pauly	Solberg	Winter
Kalis	Milbert	Pellow	Sparby	Spk. Vanasek
Kelso	Morrison	Pelowski	Stanius	
Kinkel	Munger	Peterson	Steenasma	

The bill was passed and its title agreed to.

H. F. No. 303 was reported to the House.

McGuire, Hasskamp, Peterson, Munger, Ozment, Winter, Trimble and Waltman moved to amend H. F. No. 303, the third engrossment, as follows:

Page 1, line 34, delete "subdivision 2,"

Page 1, delete lines 35 to 38, and insert:

"16B.122 [PURCHASE AND USE OF PAPER STOCK; PRINTING.]

Subdivision 1. [DEFINITIONS.] The definitions in this subdivision apply to this section.

(a) "Office paper" means notepads, loose-leaf fillers, tablets, and other paper commonly used in offices.

(b) "Postconsumer material" means a finished material that would normally be discarded as a solid waste, having completed its life cycle as a consumer item.

(c) "Practicable" means capable of being used, consistent with performance, in accordance with applicable specifications, and availability within a reasonable time.

(e) (d) "Printing paper" means paper designed for printing, other than newsprint, such as offset and publication paper.

~~(d)~~ (e) “Public agency entity” means the state, an office, agency, or institution of the state, the metropolitan council, a metropolitan agency, metropolitan mosquito control district, the legislature, the courts, a county, a statutory or home rule charter city, a town, a school district, another special taxing district, an individual or organization that receives public funding, or any contractor acting pursuant to a contract with a public agency entity.

(e) (f) “Vegetable oil-based ink” means printing ink where at least 50 percent of the oil content is vegetable oil, at least half of which must be soy oil.

(g) “Uncoated” means not coated with plastic, clay, or other material used to create a glossy finish.

Subd. 2. ~~[PURCHASE REQUIRED PURCHASES; PRINTING.]~~

(a) Whenever practicable, a public agency entity shall:

(1) purchase uncoated office paper and printing paper whenever practicable.;

(2) purchase recycled content paper with at least ten percent postconsumer material by weight;

(3) purchase paper which has not been dyed with colors, excluding pastel colors;

(4) purchase recycled content paper that is manufactured using little or no chlorine bleach or chlorine derivatives;

(5) use no more than two colored inks, standard or processed, except in formats where they are necessary to convey meaning;

(6) use reusable binding materials or staples and bind documents by methods that do not use glue;

(7) use vegetable oil-based inks; and

(8) produce reports, publications, and periodicals that are readily recyclable within the state resources recovery program.

(b) A public entity shall print documents on both sides of the paper where commonly accepted publishing practices allow.

(c) This subdivision does not apply to coated paper that is made with at least 50 percent fiber that has been recycled after use by a consumer.”

Page 35, after line 17, insert:

"Sec. 60. Minnesota Statutes 1990, section 3.195, subdivision 1, is amended to read:

Subdivision 1. [DISTRIBUTION OF REPORTS.] (a) A report to the legislature required of a department or agency shall be made, unless otherwise specifically required by law, by filing one copy with the secretary of the senate, one copy with the chief clerk of the house of representatives, and ~~ten~~ six copies with the legislative reference library. The same distribution procedure shall be followed for other reports and publications unless otherwise requested by a legislator or the legislative reference library.

(b) A report or publication submitted to the legislature by a public entity as defined in section 16B.122 must not be distributed to anyone in the legislature other than the secretary of the senate, the chief clerk of the house of representatives, and the legislative reference library unless a person specifically requests a copy or unless otherwise required by law. This prohibition applies to mandatory and voluntary reports and publications. The report or publication may be summarized in an executive summary and distributed as the entity chooses. Distribution of a report to legislative committee or commission members during a committee or commission hearing is not prohibited by this paragraph.

(c) A report or publication produced by a public entity may not be sent to both the home address and the office address of a representative or senator unless mailing to both addresses is requested by the representative or senator.

(d) Reports, publications, periodicals, and summaries under this subdivision must be printed in a manner consistent with section 16B.122."

Page 35, line 29, after "sections" insert "16B.125;" and after "325E.045" insert a new semicolon

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 6, after "sections" insert "3.195, subdivision 1;"

Page 1, line 7, delete ", subdivision 2"

The motion prevailed and the amendment was adopted.

Jennings moved to amend H. F. No. 303, the third engrossment, as amended, as follows:

Page 18, delete lines 19 and 20 and insert "section for a time of two years."

The motion prevailed and the amendment was adopted.

Rukavina and Ozment moved to amend H. F. No. 303, the third engrossment, as amended, as follows:

Page 9, after line 33, insert:

"Sec. 18. [115A.5512] [TOXICS IN PACKAGING AND PRODUCTS; ENFORCEMENT.]

After July 1, 1994, no person may deliberately introduce lead, cadmium, mercury, or hexavalent chromium into any packaging material, dye, paint, or fungicide that is intended for use or for sale in this state. This section does not apply to art supplies.

This section may be enforced under sections 115.071 and 116.072. The attorney general or the commissioner of the agency shall coordinate enforcement of this section with the director of the office."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 303, A bill for an act relating to waste management; making changes to state and local government responsibility and authority for waste management; placing emphasis on waste reduction and recycling; adjusting waste facility siting processes; amending Minnesota Statutes 1990, sections 3.195, subdivision 1; 16B.122; 16B.61, subdivision 3a; 115A.02; 115A.03, subdivision 17a; 115A.06, subdivision 2; 115A.14, subdivision 4; 115A.15, subdivisions 7 and 9; 115A.151; 115A.411, subdivision 1; 115A.46, subdivision 1, and by adding a subdivision; 115A.49; 115A.53; 115A.551, subdivisions 1 and 4; 115A.552, subdivisions 1, 2, and by adding a subdivision; 115A.554; 115A.557, subdivision 4; 115A.64, subdivision 2; 115A.67; 115A.83; 115A.84, subdivision 2; 115A.86, subdivision 5, and by adding a subdivision; 115A.882; 115A.9162,

subdivision 2; 115A.919; 115A.923, subdivisions 1 and 1a; 115A.931; 115A.94, subdivision 4; 115A.9561; 115A.96, subdivision 6; 115B.04, subdivision 4; 115B.22, subdivision 8; 116.07, subdivision 4j; 325E.042, subdivision 2; 325E.115, subdivision 1; 325E.1151, subdivision 3; 400.08, subdivision 1; 473.803, subdivision 2; 473.811, subdivisions 1, 3, and 5; 473.823, subdivision 5; 473.845, subdivision 4; 473.848, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 115A; 116; 325E; and 473; repealing Minnesota Statutes 1990, sections 16B.125; 325E.045; and 473.844, subdivision 3; Laws 1989, chapter 325, section 72, subdivision 2.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Abrams	Garcia	Krinkie	Olson, K.	Skoglund
Anderson, I.	Goodno	Krueger	Omann	Smith
Anderson, R.	Greenfield	Lasley	Onnen	Solberg
Anderson, R. H.	Gruenes	Leppik	Orenstein	Sparby
Battaglia	Gutknecht	Lieder	Orfield	Stanius
Bauerly	Hanson	Limmer	Osthoff	Steensma
Beard	Hartle	Long	Ostrom	Sviggum
Begich	Hasskamp	Lourey	Ozment	Swenson
Bertram	Hausman	Lynch	Pauly	Thompson
Bettermann	Heir	Macklin	Pellow	Tompkins
Bishop	Henry	Mariani	Pelowski	Trimble
Blatz	Hufnagle	Marsh	Peterson	Tunheim
Bodahl	Jacobs	McEachern	Fugh	Uphus
Boo	Janezich	McGuire	Reding	Valento
Brown	Jaros	McPherson	Rest	Vellenga
Carlson	Jefferson	Milbert	Rice	Wagenius
Carruthers	Jennings	Morrison	Rodosovich	Waltman
Clark	Johnson, A.	Munger	Rukavina	Weaver
Cooper	Johnson, R.	Murphy	Runbeck	Wejzman
Dauner	Johnson, V.	Nelson, K.	Sarna	Welle
Dawkins	Kahn	Nelson, S.	Schafer	Wenzel
Dempsey	Kalis	Newinski	Scheid	Winter
Dille	Kelso	O'Connor	Schreiber	Spk. Vanasek
Dorn	Kinkel	Ogren	Seaberg	
Erhardt	Knickerbocker	Olsen, S.	Segal	
Farrell	Koppendrayer	Olson, E.	Simoneau	

Those who voted in the negative were:

Davids	Girard	Hugoson
Frerichs	Haukoos	Welker

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

The Speaker called Krueger to the Chair.

H. F. No. 2 was reported to the House.

Skoglund, Ogren, Greenfield, Lourey and Cooper moved to amend H. F. No. 2, the second engrossment, as follows:

Page 74, after line 1, insert:

“Sec. 10. [MEDICATION REMINDER PILOT PROJECT.]

The commissioner of health shall design and propose to the legislature the method of implementation of a pilot project to test the potential for health cost savings from the use by hospitals of nurses or other medical professionals to telephone recently-released inpatients to remind them to take prescribed medications. The commissioner shall deliver the proposal to the legislature no later than January 1, 1992.”

The motion prevailed and the amendment was adopted.

Speaker pro tempore Krueger called Bauerly to the Chair.

Lourey; Winter; Steensma; Jefferson; Brown; Johnson, R.; Janezich; Rice; Bertram; Wenzel; Jennings; Cooper; Carruthers; Welker; Omann; Anderson, I.; Munger; Sarna; Limmer; O'Connor; Hanson; Henry; Pugh; Kelso; McEachern; Swenson and Carlson moved to amend H. F. No. 2, the second engrossment, as amended, as follows:

Page 18, line 1, after the period insert “Nothing in this section is intended to limit direct access to chiropractic care under article 3, section 3, subdivision 2, subject to reasonable managed care protocols and criteria for determining appropriate use of chiropractic care.”

Page 27, line 25, after “PRIMARY” insert “MEDICAL”

Page 27, line 25, after “CARE;” insert “CHIROPRACTIC CARE;”

Page 27, line 27, after “PRIMARY” insert “MEDICAL”

Page 28, after line 1, insert:

“Subd. 2. [CHIROPRACTIC CARE.] The intermediate benefit set covers care provided by doctors of chiropractic. The total number of visits provided by doctors of chiropractic and health professionals is subject to the visit limits in section 4, subdivision 1.”

Renumber the remaining subdivisions accordingly.

The motion prevailed and the amendment was adopted.

Speaker pro tempore Bauerly called Krueger to the Chair.

Uphus moved to amend H. F. No. 2, the second engrossment, as amended, as follows:

Page 82, after line 30, insert:

“Sec. 17. Minnesota Statutes 1990, section 290.01, subdivision 19b, is amended to read:

Subd. 19b. [SUBTRACTIONS FROM FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

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

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

(3) the amount paid to others not to exceed \$650 for each dependent in grades kindergarten to 6 and \$1,000 for each dependent in grades 7 to 12, for tuition, textbooks, and transportation of each dependent in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363. As used in this clause, “textbooks” includes books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. “Textbooks” does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. In order to qualify for the subtraction under this clause the taxpayer must elect to itemize deductions under section 63(e) of the Internal Revenue Code;

(4) to the extent included in federal taxable income, distributions

from a qualified governmental pension plan, an individual retirement account, simplified employee pension, or qualified plan covering a self-employed person that represent a return of contributions that were included in Minnesota gross income in the taxable year for which the contributions were made but were deducted or were not included in the computation of federal adjusted gross income. The distribution shall be allocated first to return of contributions until the contributions included in Minnesota gross income have been exhausted. This subtraction applies only to contributions made in a taxable year prior to 1985;

(5) income as provided under section 290.0802;

(6) the amount of unrecovered accelerated cost recovery system deductions allowed under subdivision 19g; and

(7) to the extent included in federal adjusted gross income, income realized on disposition of property exempt from tax under section 290.491; and

(8) to the extent not deducted in computing federal taxable income, the amount paid for health insurance of self-employed individuals under section 162(l) of the Internal Revenue Code of 1986, as amended through December 31, 1990, except that the 25 percent limitation does not apply. If the taxpayer deducted all or part of the amount paid for insurance under section 213 of the Internal Revenue Code of 1986, as amended through December 31, 1990, the amount of the subtraction under this clause equals the lesser of (i) the amount paid for insurance, as defined in section 162(l), less the amount deducted under section 162(l) or (ii) 7.5 percent of adjusted gross income as determined under section 213."

Page 82, line 31, delete "17" and insert "18"

Page 83, line 10, delete "18" and insert "19"

Page 83, line 21, delete "19" and insert "20"

Page 83, line 30, delete "20" and insert "21"

Page 83, line 33, delete "17 to 19" and insert "18 to 20"

Page 83, line 34, after the period insert:

"Section 17 is effective for taxable years beginning after December 31, 1990."

Amend the title accordingly

A roll call was requested and properly seconded.

POINT OF ORDER

Simoneau raised a point of order pursuant to rule 3.09 that the Uphus amendment was not in order. Speaker pro tempore Krueger ruled the point of order not well taken and the amendment in order.

Uphus incorporated the following language in his amendment:

Page 15, line 4, delete "July" and insert "October"

Ogren requested a division of the Uphus amendment to H. F. No. 2, the second engrossment, as amended.

The first portion of the Uphus amendment to H. F. No. 2, the second engrossment, as amended, reads as follows:

Page 15, line 4, delete "July" and insert "October"

A roll call was requested and properly seconded.

The question was taken on the first portion of the Uphus amendment and the roll was called. There were 51 yeas and 80 nays as follows:

Those who voted in the affirmative were:

Abrams	Goodno	Knickerbocker	Omann	Swenson
Anderson, R. H.	Gruenes	Koppendrayer	Onnen	Tompkins
Bettermann	Gutknecht	Krinkie	Ozment	Uphus
Bishop	Hartle	Leppik	Pauly	Valento
Blatz	Haukoos	Lynch	Pellow	Waltman
Boo	Heir	Macklin	Runbeck	Weaver
Davids	Henry	Marsh	Schafer	Welker
Dempsey	Hufnagle	McPherson	Schreiber	
Erhardt	Hugoson	Morrison	Seaberg	
Frerichs	Jennings	Newinski	Stanius	
Girard	Johnson, V.	Olsen, S.	Sviggum	

Those who voted in the negative were:

Anderson, I.	Carruthers	Greenfield	Kahn	Lourey
Battaglia	Clark	Hanson	Kalis	Mariani
Bauerly	Cooper	Hausman	Kelso	McEachern
Beard	Dauner	Jacobs	Kinkel	McGuire
Begich	Dawkins	Janezich	Krueger	Milbert
Bertram	Dille	Jaros	Lasley	Munger
Bodahl	Dorn	Jefferson	Lieder	Murphy
Brown	Farrell	Johnson, A.	Limmer	Nelson, K.
Carlson	Garcia	Johnson, R.	Long	Nelson, S.

O'Connor	Ostrom	Rodosovich	Smith	Vellenga
Ogren	Pelowski	Rukavina	Solberg	Wagenius
Olson, E.	Peterson	Sarna	Sparby	Wejcman
Olson, K.	Pugh	Scheid	Steensma	Welle
Orenstein	Reding	Segal	Thompson	Wenzel
Orfield	Rest	Simoneau	Trimble	Winter
Osthoff	Rice	Skoglund	Tunheim	Spk. Vanasek

The motion did not prevail and the first portion of the Uphus amendment was not adopted.

The second portion of the Uphus amendment to H. F. No. 2, the second engrossment, as amended, reads as follows:

Page 82, after line 30, insert:

“Sec. 17. Minnesota Statutes 1990, section 290.01, subdivision 19b, is amended to read:

Subd. 19b. [SUBTRACTIONS FROM FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

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

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

(3) the amount paid to others not to exceed \$650 for each dependent in grades kindergarten to 6 and \$1,000 for each dependent in grades 7 to 12, for tuition, textbooks, and transportation of each dependent in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363. As used in this clause, “textbooks” includes books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. “Textbooks” does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar

programs. In order to qualify for the subtraction under this clause the taxpayer must elect to itemize deductions under section 63(e) of the Internal Revenue Code;

(4) to the extent included in federal taxable income, distributions from a qualified governmental pension plan, an individual retirement account, simplified employee pension, or qualified plan covering a self-employed person that represent a return of contributions that were included in Minnesota gross income in the taxable year for which the contributions were made but were deducted or were not included in the computation of federal adjusted gross income. The distribution shall be allocated first to return of contributions until the contributions included in Minnesota gross income have been exhausted. This subtraction applies only to contributions made in a taxable year prior to 1985;

(5) income as provided under section 290.0802;

(6) the amount of unrecovered accelerated cost recovery system deductions allowed under subdivision 19g; ~~and~~

(7) to the extent included in federal adjusted gross income, income realized on disposition of property exempt from tax under section 290.491; and

(8) to the extent not deducted in computing federal taxable income, the amount paid for health insurance of self-employed individuals under section 162(l) of the Internal Revenue Code of 1986, as amended through December 31, 1990, except that the 25 percent limitation does not apply. If the taxpayer deducted all or part of the amount paid for insurance under section 213 of the Internal Revenue Code of 1986, as amended through December 31, 1990, the amount of the subtraction under this clause equals the lesser of (i) the amount paid for insurance, as defined in section 162(l), less the amount deducted under section 162(l) or (ii) 7.5 percent of adjusted gross income as determined under section 213."

Page 82, line 31, delete "17" and insert "18"

Page 83, line 10, delete "18" and insert "19"

Page 83, line 21, delete "19" and insert "20"

Page 83, line 30, delete "20" and insert "21"

Page 83, line 33, delete "17 to 19" and insert "18 to 20"

Page 83, line 34, after the period insert:

"Section 17 is effective for taxable years beginning after December 31, 1990."

Amend the title accordingly

A roll call was requested and properly seconded.

POINT OF ORDER

Ogren raised a point of order pursuant to rule 3.10 that the second portion of the Uphus amendment was not in order. Speaker pro tempore Krueger ruled the point of order not well taken and the second portion of the Uphus amendment in order.

Ogren requested a division of the second portion of the Uphus amendment to H. F. No. 2, the second engrossment, as amended.

POINT OF ORDER

Swiggum raised a point of order pursuant to section 310, of "Mason's Manual of Legislative Procedure" relating to the division of questions. Speaker pro tempore Krueger ruled the point of order well taken and the Ogren request for division out of order.

The question recurred on the second portion of the Uphus amendment and the roll was called. There were 113 yeas and 15 nays as follows:

Those who voted in the affirmative were:

Abrams	Farrell	Kelso	O'Connor	Seaberg
Anderson, I.	Frerichs	Kinkel	Olsen, S.	Smith
Anderson, R. H.	Garcia	Knickerbocker	Olson, E.	Solberg
Battaglia	Girard	Koppendraye	Olson, K.	Sparby
Bauerly	Goodno	Krinkie	Omann	Stanius
Beard	Gruenes	Krueger	Onnen	Steensma
Begich	Gutknecht	Lasley	Orenstein	Swiggum
Bertram	Hanson	Leppik	Orfield	Swenson
Bettermann	Hartle	Lieder	Ostrom	Thompson
Bishop	Haukoos	Limmer	Ozment	Tompkins
Blatz	Heir	Lourey	Pauly	Tunheim
Bodahl	Henry	Lynch	Pellow	Uphus
Boo	Hufnagle	Macklin	Pelowski	Valento
Brown	Hugoson	Marsh	Peterson	Vellenga
Carlson	Jacobs	McEachern	Pugh	Wagenius
Carruthers	Janezich	McPherson	Reding	Waltman
Cooper	Jaros	Milbert	Rest	Weaver
Dauner	Jefferson	Morrison	Rodosovich	Welker
Dauids	Jennings	Munger	Rukavina	Welle
Dempsey	Johnson, A.	Murphy	Runbeck	Wenzel
Dille	Johnson, R.	Nelson, K.	Sarna	Winter
Dorn	Johnson, V.	Nelson, S.	Schafer	
Erhardt	Kalis	Newinski	Schreiber	

Those who voted in the negative were:

Dawkins	Long	Ogren	Scheid	Skoglund
Greenfield	Mariani	Osthoff	Segal	Trimble
Kahn	McGuire	Rice	Simoneau	Wejman

The motion prevailed and the second portion of the Uphus amendment was adopted.

Abrams; Skoglund; Olsen, S., and Kahn moved to amend H. F. No. 2, the second engrossment, as amended, as follows:

Page 76, line 33, before the period insert “and may charge a different rate reflecting whether any person of a cell smokes, as defined in section 144.413, subdivision 4”

A roll call was requested and properly seconded.

The question was taken on the Abrams et al amendment and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kelso	Ogren	Seaberg
Anderson, I.	Garcia	Kinkel	Olsen, S.	Segal
Anderson, R. H.	Girard	Knickerbocker	Olson, E.	Simoneau
Battaglia	Goodno	Koppendrayner	Olson, K.	Skoglund
Bauerly	Greenfield	Krinkie	Omann	Smith
Beard	Gruenes	Krueger	Onnen	Solberg
Begich	Gutknecht	Lasley	Orenstein	Sparby
Bertram	Hanson	Leppik	Orfield	Stanius
Bettermann	Hartle	Lieder	Osthoff	Steenasma
Bishop	Hasskamp	Limmer	Ostrom	Sviggum
Blatz	Haukoos	Long	Ozment	Swenson
Bodahl	Hausman	Lynch	Pauly	Tompkins
Boo	Heir	Macklin	Pellow	Trimble
Brown	Henry	Mariani	Pelowski	Tunheim
Carlson	Hufnagle	Marsh	Peterson	Uphus
Carruthers	Hugoson	McEachern	Pugh	Valento
Clark	Jacobs	McGuire	Reding	Vellenga
Cooper	Janezich	McPherson	Rest	Wagenius
Dauner	Jaros	Milbert	Rice	Waltman
Davids	Jefferson	Morrison	Rodosovich	Weaver
Dawkins	Jennings	Munger	Rukavina	Wejman
Dempsey	Johnson, A.	Murphy	Runbeck	Welker
Dille	Johnson, R.	Nelson, K.	Sarna	Welle
Dorn	Johnson, V.	Nelson, S.	Schafer	Wenzel
Erhardt	Kahn	Newinski	Scheid	Winter
Farrell	Kalis	O'Connor	Schreiber	Spk. Vanasek

The motion prevailed and the amendment was adopted.

Gruenes and Bettermann moved to amend H. F. No. 2, the second engrossment, as amended, as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
RURAL HEALTH INITIATIVES

Section 1. Minnesota Statutes 1990, section 144.147, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] "Eligible rural hospital" means any nonfederal, general acute care hospital that:

(1) is either located in a rural area, as defined in the federal Medicare regulations, Code of Federal Regulations, 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;

~~(3) has experienced net income losses in at least two of the three most recent consecutive hospital fiscal years for which audited financial information is available;~~

~~(4) is not for profit; and~~

~~(5) (4) has not been awarded a grant under the federal rural health transition grant program.~~

Sec. 2. Minnesota Statutes 1990, section 144.147, subdivision 3, is amended to read:

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; and

(7) the financial condition of the hospital.

Sec. 3. Minnesota Statutes 1990, section 144.147, subdivision 4, is amended to read:

Subd. 4. [ALLOCATION OF GRANTS.] (a) Eligible hospitals must apply to the commissioner no later than September 1, 1990, of each year for grants awarded in the 1991 state fiscal year; and no later than September 1, 1990, for grants awarded in the 1992 state for the fiscal year beginning the following July 1.

(b) ~~The commissioner may award at least 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, organizations, 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.

Sec. 4. [144.1481] [RURAL HEALTH ADVISORY COMMITTEE.]

Subdivision 1. [ESTABLISHMENT; MEMBERSHIP.] The commissioner of health shall establish a 16-member rural health advisory committee. The committee shall consist of the following individuals, all of whom must reside outside the seven-county metropolitan area:

(1) two members from the house of representatives of the state of Minnesota, one from the majority party and one from the minority party;

(2) two members from the senate of the state of Minnesota, one from the majority party and one from the minority party;

(3) a volunteer member of an ambulance service based outside the seven-county metropolitan area;

(4) a representative of a hospital located outside the seven-county metropolitan area;

(5) a representative of a nursing home located outside the seven-county metropolitan area;

(6) a medical doctor or doctor of osteopathy licensed under chapter 147;

(7) a midlevel practitioner;

(8) a registered nurse or licensed practical nurse;

(9) a licensed health care professional from an occupation not otherwise represented on the committee;

(10) a representative of an institution of higher education located outside the seven-county metropolitan area that provides training for rural health care providers;

(11) three consumers, at least one of whom must be an advocate for persons who are mentally ill or developmentally disabled; and

(12) a representative of the Minnesota center for rural health.

The commissioner will make recommendations for committee membership. Committee members will be appointed by the governor. In making appointments, the governor shall ensure that appointments provide geographic balance among those areas of the state outside the seven-county metropolitan area. The chair of the committee shall be elected by the members. The terms, compensation, and removal of members are governed by section 15.059. The advisory committee does not expire as provided in section 15.059, subdivision 5.

Subd. 2. [DUTIES.] The advisory committee shall:

(1) advise the commissioner of health, the commissioner of human services, the office of rural health established in section 3, and other state agencies on rural health issues;

(2) provide a systematic and cohesive approach toward rural health issues and rural health care planning, at both a local and statewide level;

(3) develop and evaluate mechanisms to encourage greater cooperation among rural communities and among providers;

(4) recommend and evaluate approaches to rural health issues that are sensitive to the needs of local communities;

(5) develop methods for identifying individuals who are underserved by the rural health care system; and

(6) evaluate the Minnesotans' health care plan and recommend program changes needed to better address problems and needs in rural health care.

Subd. 3. [STAFFING; OFFICE SPACE; EQUIPMENT.] The commissioner shall provide the advisory committee with staff support, office space, and access to office equipment and services.

Sec. 5. [144.1482] [OFFICE OF RURAL HEALTH.]

Subdivision 1. [ESTABLISHMENT; FEDERAL GRANT APPLICATION.] The commissioner of health shall establish an office of

rural health within the department. The commissioner shall also apply for a federal grant to establish the office of rural health, as provided under the federal Public Health Service Act, Public Law Number 101-597.

Subd. 2. [DUTIES.] (a) The office of rural health in conjunction with the medical schools at University of Minnesota-Duluth and the University of Minnesota-Minneapolis and other organizations in the state which are addressing rural health care problems shall:

(1) establish and maintain a clearinghouse for collecting and disseminating information on rural health care issues, research findings, and innovative approaches to the delivery of rural health care;

(2) coordinate the activities relating to rural health care that are carried out by the state to avoid duplication of effort;

(3) identify federal and state rural health programs and provide technical assistance to public and nonprofit entities, including community and migrant health centers, to assist them in participating in these programs;

(4) assist rural communities in improving the delivery and quality of health care in rural areas and in recruiting and retaining health professionals;

(5) work with the bureau of health care access in the department of health to provide access to health care in rural Minnesota; and

(6) carry out the duties assigned in section 6.

(b) To carry out these duties, the office may contract with or provide grants to public and private, nonprofit entities. In contracting or providing grants, the office shall give preference to public and private, nonprofit entities that have demonstrated the ability to obtain grants and donations from private foundations and organizations and the federal government.

Sec. 6. [144.1483] [RURAL HEALTH INITIATIVES.]

The commissioner of health, through the office of rural health, and consulting as necessary with the commissioner of human services, the higher education coordinating board, and other state agencies, shall:

(1) develop a detailed plan regarding the feasibility of coordinating rural health care services by organizing individual medical providers and smaller hospitals and clinics into referral networks with larger rural hospitals and clinics that provide a broader array

of services. Where possible, this plan will guide the bureau of health care access as established under article 1 in contracting for health care delivery throughout Minnesota;

(2) administer the planning and transition grant program for rural hospitals established under sections 144.1465 and 144.147, and develop and administer planning and transition grant programs for health care providers and communities. Grants may be used for planning regarding the use of facilities, recruitment of health personnel, and coordination of health services;

(3) administer the program of financial assistance established under section 7 for rural hospitals in isolated areas of the state that are in danger of closing without financial assistance, and that have exhausted local sources of support;

(4) develop recommendations regarding health education and training programs in rural areas, including but not limited to a physician assistants' training program, continuing education programs for rural health care providers, and rural outreach programs for nurse practitioners within existing training programs;

(5) develop a statewide, coordinated recruitment strategy for health care personnel;

(6) develop and administer technical assistance programs to assist rural communities in: (i) planning and coordinating the delivery of local health care services; and (ii) hiring physicians, nurse practitioners, public health nurses, physician assistants, and other health personnel;

(7) study and recommend changes in the regulation of health care personnel, such as nurse practitioners and physician assistants, related to scope of practice, the amount of on-site physician supervision, and dispensing of medication, to address rural health personnel shortages;

(8) support efforts to ensure continued funding for medical and nursing education programs that will increase the number of health professionals serving in rural areas;

(9) support efforts to secure higher reimbursement for rural health care providers from the Medicare and medical assistance programs; and

(10) carry out other activities necessary to address rural health problems.

Sec. 7. [144.1484] [RURAL HOSPITAL FINANCIAL ASSISTANCE GRANTS.]

The commissioner of health shall award financial assistance grants to rural hospitals in isolated areas of the state. To qualify for a grant, a hospital must: (1) be eligible to be classified as a sole community hospital according to the criteria in Code of Federal Regulations, title 42, section 412.92; (2) have experienced net income losses in the two most recent consecutive hospital fiscal years for which audited financial information is available; (3) consist of 20 or fewer licensed beds; and (4) have exhausted local sources of support. Before applying for a grant, the hospital must have developed a strategic plan. The commissioner shall award grants in equal amounts.

Sec. 8. [144.1485] [DATA BASE ON HEALTH PERSONNEL.]

The commissioner of health shall develop and maintain a data base on health services personnel. The commissioner shall use this information to assist local communities and units of state government to develop plans for the recruitment and retention of health personnel. Information collected in the data base must include, but is not limited to, data on levels of educational preparation, specialty, and place of employment. The commissioner may collect information through the registration and licensure systems of the state health licensing boards.

Sec. 9. Minnesota Statutes 1990, 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 in rule; and

(7) other information required by the commissioner in rule.

Sec. 10. [SPECIAL STUDIES.]

The commissioner of health, through the office of rural health, shall conduct the following investigations:

(1) investigate, develop recommendations, and prepare a report to the legislature by January 15, 1993, regarding the use of advanced telecommunications technologies to improve rural health education and health care delivery;

(2) investigate the adequacy of access to perinatal services in rural Minnesota and report findings and recommendations to the legislature by February 1, 1993; and

(3) study the impact of current reimbursement provisions for midlevel practitioners on the use of midlevel practitioners in rural practice settings, examining reimbursement provisions in state programs, federal programs, and private sector health plans, and report findings and recommendations to the legislature by February 1, 1992.

Sec. 11. [REPORT ON RURAL HOSPITAL FINANCIAL ASSISTANCE GRANTS.]

The commissioner of health shall examine the eligibility criteria for rural hospital financial assistance grants under section 7 and report to the legislature by February 1, 1992, on any needed modifications.

Sec. 12. [FEASIBILITY STUDY; PHYSICIAN ASSISTANT TRAINING PROGRAM.]

The office of rural health, in cooperation with the higher education coordinating board, shall conduct a feasibility study to assess the need for a physician assistant training program at the University of Minnesota-Duluth. The office of rural health shall present findings and recommendations to the legislature by January 1, 1993.

Sec. 13. [EFFECTIVE DATE.]

Section 4 creating the rural health advisory committee is effective January 15, 1992.

ARTICLE 2

HOSPITALS; EMERGENCY MEDICAL SERVICES

Section 1. Minnesota Statutes 1990, section 16A.124, subdivision 4, is amended to read:

Subd. 4. [INVOICE ERRORS.] If an invoice is incorrect, defective, or otherwise improper, the agency must notify the vendor of all errors, within ten days of discovering discovery of the error errors. Upon receiving a corrected invoice, the agency must pay the bill within the time limitation contained in subdivision 3. For purposes of this subdivision, the term "vendor" includes hospitals receiving reimbursement under the medical assistance and general assistance medical care programs.

Sec. 2. Minnesota Statutes 1990, section 43A.17, subdivision 9, is amended to read:

Subd. 9. [POLITICAL SUBDIVISION SALARY LIMIT.] The salary of a person employed by a statutory or home rule charter city, county, town, school district, metropolitan or regional agency, or other political subdivision of this state, or employed under section 422A.03, may not exceed 95 percent of the salary of the governor as set under section 15A.082, except as provided in this subdivision. Deferred compensation and payroll allocations to purchase an individual annuity contract for an employee are included in determining the employee's salary. The salary of a medical doctor or doctor of osteopathy occupying a position that the governing body of the political subdivision has determined requires an M.D. or D.O. degree is excluded from the limitation in this subdivision. The commissioner may increase the limitation in this subdivision for a position that the commissioner has determined requires special expertise necessitating a higher salary to attract or retain a qualified person. The commissioner shall review each proposed increase giving due consideration to salary rates paid to other persons with similar responsibilities in the state. The commissioner may not increase the limitation until the commissioner has presented the proposed increase to the legislative commission on employee relations and received the commission's recommendation on it. The recommendation is advisory only. If the commission does not give its recommendation on a proposed increase within 30 days from its receipt of the proposal, the commission is deemed to have recommended approval.

Sec. 3. Minnesota Statutes 1990, section 43A.23, is amended by adding a subdivision to read:

Subd. 4. [STATE HEALTH PLAN.] The commissioner of employee relations shall provide flexibility in interpreting policies and procedures for implementing and administering the state health plan, to

ensure adequate access throughout the state to the state health plan.

Sec. 4. Minnesota Statutes 1990, 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 317A, 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,
- (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 reserve and depreciation funds were obtained solely from the operating revenues of the hospital or hospital district, and
- (i) provide funds of up to \$50,000 per year per individual for a maximum of two years to supplement the incomes of family practice physicians, up to a maximum of \$100,000 in annual income, if the hospital or hospital district has at least \$250,000 in reserve and depreciation funds at the time of payment, and these reserve and depreciation funds were obtained solely from the operating revenues of the hospital or hospital district. expend funds, including public

funds in any form, or devote the resources of the hospital or hospital district, to recruit or retain physicians whose services are necessary or desirable for meeting the health care needs of the population, and for successful performance of the hospital or hospital district's public purpose of the promotion of health. Allowable uses of funds and resources include the retirement of medical education debt, payment of one time amounts in consideration of services rendered or to be rendered, payment of recruitment expenses, payment of moving expenses, and the provision of other financial assistance necessary for the recruitment and retention of physicians, provided that the expenditures in whatever form are reasonable under the facts and circumstances of the situation.

Sec. 5. Minnesota Statutes 1990, section 144.8093, is amended to read:

144.8093 [EMERGENCY MEDICAL SERVICES FUND.]

Subdivision 1. [CITATION.] This section is the "Minnesota emergency medical services system support act."

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 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 discretionary grants for emergency medical service projects with potential regionwide significance; 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.

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 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.

Subd. 4. [DISTRIBUTION.] Money from the fund shall be distributed according to this subdivision. Eighty Ninety-three and one-

third percent of the fund 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 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 shall be used by the commissioner to support regionwide 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. 6. Minnesota Statutes 1990, 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;

(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; and

(23) a voluntary uncompensated worker while volunteering services as a member of a rescue squad organized under the 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. 7. Minnesota Statutes 1990, 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 rehabili-

tation 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 April 1, 1988 1991, and December 31, 1990 the implementation date of the upgrade to the Medicaid management information system, 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 April 1, 1988 1991, and December 31, 1990 the implementation date of the upgrade to the Medicaid management information system, 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), except the per day rate shall be multiplied by a factor of 2, provided that the total of the per day rates shall not exceed the per admission rate. This methodology shall also apply 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. 8. Minnesota Statutes 1990, section 290.01, subdivision 19b, is amended to read:

Subd. 19b. [SUBTRACTIONS FROM FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

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

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

(3) the amount paid to others not to exceed \$650 for each dependent in grades kindergarten to 6 and \$1,000 for each dependent in grades 7 to 12, for tuition, textbooks, and transportation of each dependent in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363. As used in this clause, "textbooks" includes books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include instructional books and

materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. In order to qualify for the subtraction under this clause the taxpayer must elect to itemize deductions under section 63(e) of the Internal Revenue Code;

(4) to the extent included in federal taxable income, distributions from a qualified governmental pension plan, an individual retirement account, simplified employee pension, or qualified plan covering a self-employed person that represent a return of contributions that were included in Minnesota gross income in the taxable year for which the contributions were made but were deducted or were not included in the computation of federal adjusted gross income. The distribution shall be allocated first to return of contributions until the contributions included in Minnesota gross income have been exhausted. This subtraction applies only to contributions made in a taxable year prior to 1985;

(5) income as provided under section 290.0802;

(6) the amount of unrecovered accelerated cost recovery system deductions allowed under subdivision 19g; ~~and~~

(7) to the extent included in federal adjusted gross income, income realized on disposition of property exempt from tax under section 290.491; and

(8) to the extent not deducted in computing federal taxable income, the amount paid for health insurance of self-employed individuals under section 162(l) of the Internal Revenue Code of 1986, as amended through December 31, 1990, except that the 25 percent limitation does not apply. If the taxpayer deducted all or part of the amount paid for insurance under section 213 of the Internal Revenue Code of 1986, as amended through December 31, 1990, the amount of the subtraction under this clause equals the lesser of (i) the amount paid for insurance, as defined in section 162(l), less the amount deducted under section 162(l) or (ii) 7.5 percent of adjusted gross income as determined under section 213.

Section 8 is effective for taxable years beginning after December 31, 1990.

Amend the title accordingly

Renumber the remaining sections

Correct the cross-references

Sec. 8. Minnesota Statutes 1990, section 447.31, subdivision 1, is amended to read:

Subdivision 1. [RESOLUTIONS.] Any ~~four~~ two or more cities and towns, however organized, except cities of the first class, may create a hospital district. They must do so by resolutions adopted by their respective governing bodies or electors. A hospital district may be reorganized according to sections 447.31 to 447.37. Reorganization must be by resolutions adopted by the district's hospital board and the governing body or voters of each city and town in the district.

Sec. 9. Minnesota Statutes 1990, section 447.31, subdivision 3, is amended to read:

Subd. 3. [CONTENTS OF RESOLUTION.] A resolution under subdivision 1 must state that a hospital district is authorized to be created under sections 447.31 to 447.37, or that an existing hospital district is authorized to be reorganized under sections 447.31 to 447.37, in order to acquire, improve, and run hospital and nursing home facilities that the hospital board decides are necessary and expedient in accordance with sections 447.31 to 447.37. The resolution must name the ~~four~~ two or more cities or towns included in the district. The resolution must be adopted by a two-thirds majority of the members-elect of the governing body or board acting on it, or by the voters of the city or town as provided in this section.

Each resolution adopted by the governing body of a city or town must be published in its official newspaper and takes effect 40 days after publication, unless a petition for referendum on the resolution is filed with the governing body within 40 days. A petition for referendum must be signed by at least five percent of the number of voters voting at the last election of officers. If a petition is filed, the resolution does not take effect until approved by a majority of voters voting on it at a regular municipal election or a special election which the governing body may call for that purpose.

The resolution may also be initiated by petition filed with the governing body of the city or town, signed by at least ten percent of the number of voters voting at the last general election. A petition must present the text of the proposed resolution and request an election on it. If the petition is filed, the governing body shall call a special election for the purpose, to be held within 30 days after the filing of the petition, or may submit the resolution to a vote at a regular municipal election that is to be held within the 30-day period. The resolution takes effect if approved by a majority of voters voting on it at the election. Only one election shall be held within any given 12-month period upon resolutions initiated by petition. The notice of the election and the ballot used must contain the text of the resolution, followed by the question: "Shall the above resolution be approved?"

Sec. 10. [STUDY OF BASIC AND ADVANCED LIFE SUPPORT REIMBURSEMENT.]

The commissioner of human services, in consultation with the commissioner of health, shall study the mechanisms and rates of reimbursement for advanced and basic life support ambulance and special transportation service 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 ambulance service may not be denied, as well as other issues that create impediments to reasonable and fair reimbursement. The commissioner shall report findings and offer recommendations to the legislature by February 1, 1992, on means of maximizing potential reimbursement levels.

Sec. 11. [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.

ARTICLE 3

DATA COLLECTION AND RESEARCH INITIATIVES

Section 1. [62J.42] [HEALTH CARE ANALYSIS UNIT.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of health shall establish a health care analysis unit to conduct data and research initiatives in order to improve the efficiency and effectiveness of health care in Minnesota.

Subd. 2. [GENERAL DUTIES; IMPLEMENTATION DATE.] The health care analysis unit shall:

(1) conduct applied research using existing and newly established health care data bases, and promote applications based on existing research;

(2) establish the condition-specific data base required under section 2;

(3) develop and implement data collection procedures to ensure a high level of cooperation from health care providers and health plans;

(4) provide technical assistance as needed to the department of health;

(5) periodically evaluate the state's existing health care financing and delivery programs;

(6) regularly prepare estimates, specific to Minnesota, of total health service expenditures and sources of payment;

(7) participate as a partner or sponsor of private sector initiatives that promote publicly disseminated applied research on health care delivery, outcomes, costs, quality, and management;

(8) conduct periodic surveys, including those required by section 4; and

(9) provide technical assistance to health plan and health care purchasers, as required by section 5.

Subd. 3. [CRITERIA FOR UNIT INITIATIVES.] Data and research initiatives by the health care analysis unit must:

(1) serve the needs of the general public, public sector health care programs, employers and other purchasers of health care, health care providers, including providers serving large numbers of low-income people, and health plan companies;

(2) promote a significantly accelerated pace of publicly disseminated, applied research on health care delivery, outcomes, costs, quality, and management;

(3) conduct research and promote health care applications based on scientifically sound and statistically valid methods;

(4) be statewide in scope, in order to benefit health care purchasers and providers in all parts of Minnesota and to ensure a broad and representative data base for research, comparisons, and applications;

(5) emphasize data that is useful, relevant, and nonredundant of existing data. The initiatives may duplicate existing private activities, if this is necessary to ensure that the data collected will be in the public domain;

(6) be structured to minimize the administrative burden on health plans, health care providers, and the health care delivery system; and

(7) promote continuous improvement in the efficiency and effectiveness of health care delivery.

Subd. 4. [CRITERIA FOR PUBLIC SECTOR HEALTH CARE PROGRAMS.] Data and research initiatives related to public sector health care programs must:

(1) assist the state's current health care financing and delivery programs to deliver and purchase health care in a manner that promotes improvements in health care efficiency and effectiveness;

(2) assist the state in its public health activities, including the analysis of disease prevalence and trends and the development of public health responses;

(3) assist the state in developing and refining its overall health policy, including policy related to health care costs, quality, access, and outcomes research; and

(4) provide a data source that allows the evaluation of state health care financing and delivery programs.

Subd. 5. [DATA COLLECTION PROCEDURES.] The health care analysis unit shall collect data from health care providers, health plan companies, and individuals in the most cost-effective manner, which does not unduly burden providers. The unit may require health care providers and health plan companies to collect and provide patient health data, provide mailing lists of patients, and cooperate in other ways with the data collection process. The health care analysis unit may assign, or require health care providers and health plan companies to assign, a unique identification number to each patient to safeguard patient identity.

Subd. 6. [DATA CLASSIFICATION.] (a) Data collected through the large-scale data base initiatives of the health care analysis unit required by sections 2 and 3 are classified as private data on individuals and may be disclosed only to: employees of the department of health working on unit initiatives; researchers affiliated with university research centers or departments, who are conducting research on health outcomes and practice parameters; researchers working under contract with the department of health; and individuals purchasing health care services for health plan companies and groups.

(b) Data collected through the survey research initiatives of the health care analysis unit required by section 4 are classified as

public data under section 13.03, except that any patient or enrollee identifying information is private data.

(c) Summary data derived from data collected through the large-scale data base and survey research initiatives of the health care analysis unit may be provided under section 13.05, subdivision 7, and may be released in studies produced by the bureau of health care access.

Subd. 7. [DATA COLLECTION ADVISORY COMMITTEE.] The commissioner shall convene a 15 member data collection advisory committee consisting of health service researchers, health care providers, health plan company representatives, representatives of businesses that purchase health coverage, and consumers. The advisory committee shall evaluate methods of data collection and shall recommend to the commissioner methods of data collection that minimize administrative burdens, address data privacy concerns, and meet the needs of health service researchers. The advisory committee is governed by section 15.059.

Subd. 8. [FEDERAL AND OTHER GRANTS.] The commissioner of health shall seek federal funding, and funding from private and other non-state sources, for the initiatives of the health care analysis unit.

Sec. 2. [62J.43] [LARGE-SCALE DATA BASE.]

Subdivision 1. [ESTABLISHMENT.] The health care analysis unit shall establish a large-scale data base for a limited number of health conditions. This initiative must meet the requirements of this section.

Subd. 2. [SPECIFIC HEALTH CONDITIONS.] (a) The data must be collected for specific health conditions, rather than specific procedures, types of health care providers, or services. The health care analysis unit shall designate up to eight specific health conditions for which data shall be collected during the first year of operation. For subsequent years, data may be collected for up to six additional specific health conditions. The number of specific conditions for which data is collected is subject to the availability of appropriations.

(b) The initiative must emphasize conditions that account for significant total costs, when considering both the frequency of a condition and the unit cost of treatment. The initial emphasis must be on the study of conditions commonly treated in hospitals on an inpatient or outpatient basis, or in freestanding outpatient surgical centers. As improved data collection and evaluation techniques are incorporated, this emphasis shall be expanded to include entire episodes of care for a given condition, whether or not treatment

includes use of a hospital or a freestanding outpatient surgical center.

Subd. 3. [INFORMATION TO BE COLLECTED.] The data collected must include information on health outcomes, including information on mortality, morbidity, patient functional status and quality of life, symptoms, and patient satisfaction. The data collected must include information necessary to measure and make adjustments for differences in the severity of patient condition across different health care providers, and may include data obtained directly from the patient or from patient medical records. The data must be collected in a manner that allows comparisons to be made between providers, health plan companies, public programs, and other entities.

Subd. 4. [DATA COLLECTION AND REVIEW.] Data collection for any one condition must continue for a sufficient time to permit: adequate analysis by researchers and appropriate providers, including providers who will be impacted by the data; feedback to providers; and monitoring for changes in practice patterns. The health care analysis unit shall annually review all specific health conditions for which data is being collected, in order to determine if data collection for that condition should be continued.

Subd. 5. [USE OF EXISTING DATA BASES.] (a) The health care analysis unit shall negotiate with private sector organizations currently collecting data on specific health conditions of interest to the unit, in order to obtain required data in a cost-effective manner and minimize administrative costs. The unit shall attempt to establish linkages between the large scale data base established by the unit and existing private sector data bases and shall consider and implement methods to streamline data collection in order to reduce public and private sector administrative costs.

(b) The health care analysis unit shall use existing public sector data bases, such as those existing for medical assistance and Medicare, to the greatest extent possible. The unit shall establish linkages between existing public sector data bases and consider and implement methods to streamline public sector data collection in order to reduce public and private sector administrative costs.

Sec. 3. [62J.44] [ANALYSIS AND USE OF DATA COLLECTED THROUGH THE LARGE-SCALE DATA BASE.]

Subdivision 1. [DATA ANALYSIS.] The health care analysis unit shall analyze the data collected on specific health conditions using existing practice parameters and newly researched practice parameters, including those established through the medical effectiveness studies of the federal government. The unit may use the data collected to develop new practice parameters, if development and refinement is based upon input from and analysis by practitioners,

particularly those practitioners knowledgeable about and impacted by practice parameters. The unit may also refine existing practice parameters, and may encourage or coordinate private sector research efforts designed to develop or refine practice parameters.

Subd. 2. [EDUCATIONAL EFFORTS.] The health care analysis unit shall maintain and improve the quality of health care in Minnesota by providing practitioners in the state with information about practice parameters. The unit shall promote, support, and disseminate parameters for specific, appropriate conditions, and the research findings on which these parameters are based, to all practitioners in the state who diagnose or treat the medical condition.

Subd. 3. [PEER REVIEWS.] The unit may require peer reviews for specific medical conditions for which medical practice in all or part of the state deviates from practice parameters. The unit may also require peer reviews for specific medical conditions for which there are large variations in treatment method or frequency of treatment in all or part of the state. Peer reviews may be required for all medical practitioners statewide, or limited to medical practitioners in specific areas of the state. The peer reviews shall determine if the procedures conducted by medical practitioners are medically necessary and appropriate, and within acceptable and prevailing practice parameters that have been disseminated by the health care analysis unit in conjunction with the appropriate professional organizations. If a medical practitioner's practice style does not change and the practitioner continues to perform procedures that are medically inappropriate, even after educational efforts by the review panel, the panel may report the practitioner to the appropriate professional licensing board.

Subd. 4. [PEER REVIEW ADVISORY COMMITTEE.] The commissioner shall convene a 15 member peer review advisory committee comprised of representatives of health care professional organizations, health licensing boards, and organizations such as the Foundation for Health Care Evaluation that conduct peer reviews. The advisory committee shall present recommendations for legislation to the health care analysis unit by January 1, 1992. These recommendations must address issues related to the establishment and composition of peer review panels, and the procedures to be followed by peer review panels. The advisory committee is governed by section 15.059.

Sec. 4. [62J.45] [SURVEY RESEARCH.]

The health care analysis unit shall conduct periodic surveys to accomplish the data and research goals listed in section 1. These surveys shall include, but are not limited to:

(1) surveys of enrollee satisfaction with health plans and health care providers;

(2) surveys to monitor changes over time in financial and geographic access and sources of health coverage;

(3) surveys of health service prices, especially for services less commonly covered by health insurance, or for which patients commonly face significant out-of-pocket expenses;

(4) surveys of health plan prices, especially for health plans sold on a community-rated or table-rated basis; and

(5) surveys of new procedures and treatments performed by health care providers, as a basis for considering changes in the benefits provided by state health coverage programs.

Sec. 5. [62J.46] [TECHNICAL ASSISTANCE FOR PURCHASERS.]

The health care analysis unit shall provide technical assistance to health plan and health care purchasers. The unit shall collect information about:

(1) premiums, benefit levels, managed care procedures, health care outcomes, and other features of popular health plans and health plan companies; and

(2) prices, outcomes, provider experience, and other information for services less commonly covered by insurance or for which patients commonly face significant out-of-pocket expenses.

The commissioner shall publicize this information in an easily understandable format.

Sec. 6. Minnesota Statutes 1990, section 145.61, subdivision 5, is amended to read:

Subd. 5. "Review organization" means a nonprofit organization acting according to clause (k) or a committee whose membership is limited to professionals and administrative staff, except where otherwise provided for by state or federal law, and which is established by a hospital, by a clinic, by one or more state or local associations of professionals, by an organization of professionals from a particular area or medical institution, by a health maintenance organization as defined in chapter 62D, by a nonprofit health service plan corporation as defined in chapter 62C, by a professional standards review organization established pursuant to United States Code, title 42, section 1320c-1 et seq., or by a medical review agent established to meet the requirements of section 256B.04,

subdivision 15, or 256D.03, subdivision 7, paragraph (b), or by the department of human services, to gather and review information relating to the care and treatment of patients for the purposes of:

(a) evaluating and improving the quality of health care rendered in the area or medical institution;

(b) reducing morbidity or mortality;

(c) obtaining and disseminating statistics and information relative to the treatment and prevention of diseases, illness and injuries;

(d) developing and publishing guidelines showing the norms of health care in the area or medical institution;

(e) developing and publishing guidelines designed to keep within reasonable bounds the cost of health care;

(f) reviewing the quality or cost of health care services provided to enrollees of health maintenance organizations;

(g) acting as a professional standards review organization pursuant to United States Code, title 42, section 1320c-1 et seq.;

(h) determining whether a professional shall be granted staff privileges in a medical institution or whether a professional's staff privileges should be limited, suspended or revoked;

(i) reviewing, ruling on, or advising on controversies, disputes or questions between:

(1) health insurance carriers or health maintenance organizations and their insureds or enrollees;

(2) professional licensing boards acting under their powers including disciplinary, license revocation or suspension procedures and health providers licensed by them when the matter is referred to a review committee by the professional licensing board;

(3) professionals and their patients concerning diagnosis, treatment or care, or the charges or fees therefor;

(4) professionals and health insurance carriers or health maintenance organizations concerning a charge or fee for health care services provided to an insured or enrollee;

(5) professionals or their patients and the federal, state, or local government, or agencies thereof;

(j) providing underwriting assistance in connection with professional liability insurance coverage applied for or obtained by dentists, or providing assistance to underwriters in evaluating claims against dentists;

(k) acting as a medical review agent under section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b); or

(l) providing recommendations on the medical necessity of a health service, or the relevant prevailing community standard for a health service; or

(m) reviewing a provider's professional practice as requested by the health care analysis unit under section 3.

Sec. 7. Minnesota Statutes 1990, section 145.64, is amended to read:

145.64 [CONFIDENTIALITY OF RECORDS OF REVIEW ORGANIZATION.]

Subdivision 1. [DATA AND INFORMATION.] All data and information acquired by a review organization, in the exercise of its duties and functions, shall be held in confidence, shall not be disclosed to anyone except to the extent necessary to carry out one or more of the purposes of the review organization, and shall not be subject to subpoena or discovery. No person described in section 145.63 shall disclose what transpired at a meeting of a review organization except to the extent necessary to carry out one or more of the purposes of a review organization. The proceedings and records of a review organization shall not be subject to discovery or introduction into evidence in any civil action against a professional arising out of the matter or matters which are the subject of consideration by the review organization. Information, documents or records otherwise available from original sources shall not be immune from discovery or use in any civil action merely because they were presented during proceedings of a review organization, nor shall any person who testified before a review organization or who is a member of it be prevented from testifying as to matters within the person's knowledge, but a witness cannot be asked about the witness' testimony before a review organization or opinions formed by the witness as a result of its hearings. ~~The provisions of this section shall not apply to a review organization of the type described in section 145.61, subdivision 5, clause (h).~~

Subd. 2. [PROVIDER DATA.] The restrictions in subdivision 1 shall not apply to judicial proceedings in which a health care provider contests the denial, restriction, or termination of clinical privileges by a health care facility. However, any data so disclosed in such proceedings shall not be admissible in any other judicial proceeding.

Sec. 8. [STUDY OF ADMINISTRATIVE COSTS.]

The health care analysis unit shall study costs and requirements incurred by health plan companies and health care providers that are related to the collection and submission of information to the state and federal government, insurers, and other third parties. The unit shall recommend to the commissioner by January 1, 1993, any reforms that may reduce these costs without compromising the purposes for which the information is collected.

Sec. 9. [STUDY OF OUTCOMES-BASED PILOT PROJECT.]

The health care analysis unit shall examine the feasibility of establishing a pilot project to implement, administer, and evaluate an outcomes-based model of health care management that incorporates practice guidelines. The unit shall present recommendations to the commissioner by January 1, 1992.

ARTICLE 4

SMALL EMPLOYER HEALTH BENEFITS

Section 1. [62K.01] [CITATION AND PURPOSE.]

Subdivision 1. [CITATION.] This chapter may be cited as the "small employer health benefit act of 1991."

Subd. 2. [FINDINGS.] The legislature finds that a significant number of uninsured residents of the state of Minnesota are employed by small employers. Small employers may be unable to purchase affordable health coverage because of the application of mandated benefits to all health plan products and the historical underwriting and rating practices applied by health carriers to small employer groups. The legislature believes that access to health insurance may improve for small employers if specific rating and underwriting restrictions, in conjunction with the use of a reinsurance pool, are imposed on all health carriers doing business in the small employer market, if health carriers are permitted to offer a limited benefit plan, and if a systematic review of proposed new benefits is required.

Subd. 3. [PURPOSE.] The purpose of this chapter is to promote the availability of health insurance to small employers; to impose certain restrictions on the underwriting and rating of small employer groups; to improve access to health care services to the employees of small employers and their dependents; to establish a reinsurance pool to enable health carriers to more equitably spread the risk of loss associated with small employer business; and to provide for the systematic review of the social and financial impacts of proposed mandated benefits.

Subd. 4. [JURISDICTION.] This chapter applies to any health carrier that offers, issues, delivers, or renews a health benefit plan to one or more employees of a small employer.

Sec. 2. [62K.02] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of this chapter, the terms defined in this section have the meanings given them unless the language or the context clearly indicates otherwise.

Subd. 2. [ACTUARIAL OPINION.] "Actuarial opinion" means a written statement by a member of the American Academy of Actuaries that a health carrier is in compliance with this chapter, based on the person's examination, including a review of the appropriate records and of the actuarial assumptions and methods utilized by the health carrier in establishing premium rates for health benefit plans.

Subd. 3. [APPROPRIATE COMMITTEE CHAIRS.] "Appropriate committee chairs" means the chairs of the house health and human services committee, the house financial institutions and insurance committee, the senate commerce committee, and the senate health and human services committee.

Subd. 4. [ASSOCIATION.] "Association" means the small employer reinsurance association created by section 62K.10.

Subd. 5. [BASE PREMIUM RATE.] "Base premium rate" means for each class of business as to a rating period, the lowest premium rate charged or which could have been charged under a rating system for that class of business by the health carrier to small employers with similar case characteristics for health benefit plans with the same or similar coverage.

Subd. 6. [BOARD OF DIRECTORS.] "Board of directors" means the board of directors of the small employer reinsurance association created by section 62K.10.

Subd. 7. [CASE CHARACTERISTICS.] "Case characteristics" means the relevant characteristics of a small employer, as determined by a health carrier, which are considered by the carrier in the determination of premium rates for the small employer. Such relevant characteristics include, but are not limited to, geographic area, employer group size, benefit differences, and family composition. Age, sex, claims experience, health status, and industry of the employer and duration of issue are not case characteristics for the purposes of this chapter.

Subd. 8. [CLASS OF BUSINESS.] "Class of business" means all of the small employer business of a health carrier as shown on the

records of the health carrier except that a health carrier may establish a distinct grouping of small employers:

- (1) if a class of business was acquired from another health carrier;
- (2) if the class of business relies on substantially different managed care requirements, including but not limited to the use of limited provider networks, prior authorization, concurrent review, discharge planning, and case management;
- (3) if the class of business is marketed and sold through persons not participating in the sale of health benefit plans to other distinct groupings of small employers; or
- (4) if the class of business is provided through an association of not less than 100 employers which has been formed for purposes other than obtaining insurance.

The commissioner may approve the establishment of additional classes of business upon application to the commissioner and a finding by the commissioner that such action would enhance the efficiency and fairness of the small employer market.

Subd. 9. [COINSURANCE.] "Coinsurance" means an established dollar amount or percentage of health care expenses that an eligible employee or dependent is required to pay directly to a provider of medical services or supplies pursuant to the terms of a health benefit plan.

Subd. 10. [COMMISSIONER.] "Commissioner" means the commissioner of commerce for plans governed by chapter 62A or 62C or the commissioner of health for health maintenance organizations governed by chapter 62D, or the relevant commissioner's designated representative.

Subd. 11. [CONTINUOUS COVERAGE.] "Continuous coverage" means the maintenance of continuous and uninterrupted health plan coverage by an eligible employee or dependent. An eligible employee or dependent shall be deemed to have maintained continuous coverage if the individual requests enrollment in a health benefit plan within 30 days of termination of the prior health plan coverage.

Subd. 12. [DEDUCTIBLE.] "Deductible" means the amount of health care expenses an eligible employee or dependent is required to incur before benefits are payable under a health benefit plan.

Subd. 13. [DEMOGRAPHIC COMPOSITION.] "Demographic composition" means the age and sex characteristics of eligible employees, the family composition of eligible employees, and the

standard age categories used by a health carrier to establish premiums.

Subd. 14. [DEPARTMENT.] "Department" means the department of commerce or the department of health, as applicable.

Subd. 15. [DEPENDENT.] "Dependent" means an eligible employee's spouse, unmarried child who is under the age of 19 years, dependent child who is a student under the age of 25 years and financially dependent upon the eligible employee, or dependent child of any age who is disabled, subject to the applicable terms of the health benefit plan issued by the health carrier.

Subd. 16. [DURATION OF ISSUE.] "Duration of issue" means a rate factor used to justify higher rates which incorporated the length of time a group is covered by a health carrier, but which does not incorporate claims experience or health status.

Subd. 17. [ELIGIBLE CHARGES.] "Eligible charges" means the actual charges submitted to a health carrier by or on behalf of a provider, eligible employee, or dependent for health services covered by the carrier's health benefit plan. Eligible charges do not include charges for health services excluded by the health benefit plan or charges for which an alternate carrier is liable pursuant to the coordination of benefit provisions of the health benefit plan.

Subd. 18. [ELIGIBLE EMPLOYEE.] "Eligible employee" means an individual employed by a small employer for at least 20 hours per week on a regular basis and who has satisfied all employer participation and eligibility requirements, including but not limited to the satisfactory completion of a probationary period of not less than 30 days. A late entrant is not an eligible employee.

Subd. 19. [FINANCIALLY IMPAIRED CONDITION.] "Financially impaired condition" means a health carrier which is not insolvent and (1) is deemed by the commissioner to be potentially unable to fulfill its contractual obligations, or (2) is placed under an order of rehabilitation or conservation by a court of competent jurisdiction.

Subd. 20. [HEALTH BENEFIT PLAN.] "Health benefit plan" means any policy, contract, or certificate issued by a health carrier to a small employer for the coverage of medical and hospital benefits. Health benefit plan includes a small employer plan as defined in subdivision 33. The term does not include coverage that is:

- (1) limited to disability or income protection coverage;
- (2) automobile medical payment coverage;

- (3) supplemental to liability insurance;
- (4) designed solely to provide payments on a per diem, fixed indemnity or nonexpense-incurred basis;
- (5) credit accident and health insurance issued pursuant to chapter 62B;
- (6) designed solely to provide dental or vision care;
- (7) blanket accident and sickness insurance as defined in section 62A.11;
- (8) accident only coverage issued by a licensed and tested insurance agent or solicitors that provides reasonable benefits in relation to the cost of covered services;
- (9) long-term care insurance as defined in section 62A.46; or
- (10) issued as a supplement to Medicare, as defined in sections 62A.31 to 62A.44.

For the purpose of this act, a health benefit plan issued to employees of a small employer who meets the participation requirements of section 62K.03 shall be deemed to have been issued to a small employer. A health benefit plan issued on behalf of a health carrier shall be deemed to be issued by the health carrier.

Subd. 21. [HEALTH CARRIER.] "Health carrier" means an insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insurance as defined in section 62A.01; a health service plan licensed under chapter 62C; a health maintenance organization licensed under chapter 62D; a fraternal benefit society operating under chapter 64B; a joint self-insurance employee health plan operating under chapter 62H; and a multiple employer welfare arrangement, as defined in section 3 of the Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, section 1103, as amended.

For the purpose of this act companies that are affiliated companies or that are eligible to file a consolidated tax return shall be treated as one carrier except that any insurance company or health service plan corporation that is an affiliate of a health maintenance organization located in Minnesota or any health maintenance organization located in Minnesota that is an affiliate of an insurance company or health service plan corporation may treat the health maintenance organization as a separate health carrier.

Subd. 22. [HEALTH PLAN.] "Health plan" means a health benefit plan issued by a health carrier:

(1) to a small employer;

(2) to any employer who does not satisfy the definition of a small employer as set forth in subdivision 31; or

(3) to any individual purchasing an individual or conversion policy of health care coverage issued by a health carrier.

Subd. 23. [INDEX RATE.] "Index rate" means for each class of business as to a rating period for small employers with similar case characteristics, the arithmetic average of the applicable base premium rate and the corresponding highest premium rate.

Subd. 24. [LATE ENTRANT.] "Late entrant" means an eligible employee or dependent who is not enrolled in a small employer's health benefit plan. Late entrants may be subject to a preexisting condition limitation or exclusion from coverage for up to 18 months from the effective date of coverage of the late entrant. An otherwise eligible employee or dependent shall not be a late entrant if:

(1) the individual was covered by another group health plan at the time the individual was eligible to enroll in a health benefit plan, declined enrollment on that basis, and presents to a health carrier a certificate of termination of such coverage, provided that the individual maintains continuous coverage;

(2) the individual has lost coverage under another group health plan due to the expiration of benefits available under the Consolidated Omnibus Budget Reconciliation Act of 1981 (COBRA), Public Law Number 99-272, as amended, and any state continuation laws applicable to the employer or health carrier, provided that the individual maintains continuous coverage;

(3) the individual is a new spouse of an eligible employee, provided that enrollment is requested within 30 days of the date of marriage; or

(4) the individual is a new dependent child of an eligible employee, provided that enrollment is requested within 30 days of the date of birth or adoption.

Subd. 25. [MANDATED BENEFIT OR ELIGIBILITY.] "Mandated benefit or eligibility" means a health plan benefit or eligibility required by state law to be included in a health plan offered or issued by a health carrier that requires the coverage of or the offer of coverage of specific diseases, conditions, treatments, services, or persons, or the direct reimbursement of services rendered by specific types of health care providers.

Subd. 26. [MCHA.] “MCHA” means the Minnesota comprehensive health association established pursuant to section 62E.10.

Subd. 27. [MEDICAL NECESSITY.] “Medical necessity” means the appropriate and necessary medical and hospital services eligible for payment under a health benefit plan as determined by a health carrier.

Subd. 28. [MEMBERS.] “Members” means the health carriers operating in the small employer market who are members of the association.

Subd. 29. [PREEXISTING CONDITION.] “Preexisting condition” means any condition manifesting in such a manner as would cause an ordinarily prudent person to seek medical advice, diagnosis, care, or treatment or for which medical advice, diagnosis, care, or treatment was recommended or received during the six months immediately preceding the effective date of coverage, or as to a pregnancy existing as of the effective date of coverage of a health benefit plan.

Subd. 30. [RATING PERIOD.] “Rating period” means the 12 month or prorated calendar period for which premium rates established by a health carrier are assumed to be in effect, as determined by the health carrier.

Subd. 31. [SMALL EMPLOYER.] “Small employer” means any person, firm, corporation, partnership, association, or other entity actively engaged in business who, on at least 50 percent of its working days during the preceding calendar year, employed no less than two nor more than 15 eligible employees. If a small employer has only two eligible employees, the employees must not be the spouse, child, sibling, parent, or grandparent of the other. Entities which are eligible to file a combined tax return for purposes of state tax laws shall be considered a single employer for purposes of determining the number of eligible employees. Small employer status shall be determined on an annual basis as of the renewal date of the health benefit plan. The provisions of this act shall continue to apply to an employer who no longer meets the requirements of this definition until the annual renewal date of the employer’s health benefit plan.

Subd. 32. [SMALL EMPLOYER MARKET.] “Small employer market” means the market for group health benefit plans for small employers. A health carrier shall be considered to be participating in the small employer market if the health carrier offers, sells, issues, or renews a health plan to any small employer or the eligible employees of a small employer offering a group health benefit plan.

Subd. 33. [SMALL EMPLOYER PLAN.] “Small employer plan” means a health benefit plan issued by a health carrier to a small

employer for coverage of the medical and hospital benefits described in section 62K.05.

Subd. 34. [TRANSITION PERIOD.] "Transition period" means July 1, 1992, through June 30, 1993.

Sec. 3. [62K.03] [PARTICIPATION REQUIREMENTS.]

Subdivision 1. [CARRIER PARTICIPATION.] Every health carrier shall, as a condition of authority to transact business in this state in the small employer market, offer, sell, issue, and renew any health benefit plan to small employers in accordance with this chapter. Beginning during the transition period, as defined in section 62K.02, subdivision 34, every health carrier participating in the small employer market shall make available a health benefit plan to small employers and shall fully comply with the underwriting and rate restrictions set forth in this chapter. A health carrier may cease to transact business in the small employer market pursuant to section 62K.09.

Subd. 2. [EXCEPTION TO CARRIER PARTICIPATION.] A health carrier transacting business in the small employer market shall not be required to offer a health benefit plan to small employers pursuant to this chapter if the commissioner finds that such offer would place the health carrier in a financially impaired condition. A health carrier which does not offer a health benefit plan to small employers pursuant to this subdivision shall not offer a health benefit plan to small employers for 180 days following a determination by the commissioner that the health carrier has ceased to be in a financially impaired condition.

Subd. 3. [EMPLOYER PARTICIPATION.] Health carriers shall require that:

(1) 75 percent of a small employer's eligible employees who have not waived coverage participate in any health benefit plan offered, sold, issued, or renewed by the health carrier; and

(2) small employers contribute a minimum of 50 percent of the premium charged by the health carrier for coverage of an eligible employee.

Subd. 4. [UNDERWRITING RESTRICTIONS.] Health carriers may apply underwriting restrictions to coverage for health benefit plans for small employers, including any preexisting condition limitations, only as expressly permitted by this chapter. Health carriers may collect information relating to the case characteristics and demographic composition of small employers, as well as health status and health history information about employees of small employers. Except as hereinafter permitted with respect to late

entrants, preexisting conditions may be excluded by a health carrier for a period not to exceed 12 months from the effective date of coverage of an eligible employee's or dependent's health benefit plan. When calculating a preexisting condition limitation, a health carrier shall credit the time period an eligible employee or dependent was previously covered by another health benefit plan, provided that the individual maintains continuous coverage. Late entrants may be subject to a preexisting condition limitation not to exceed 18 months from the effective date of coverage of the late entrant. Late entrants may also be excluded from coverage for a period not to exceed 18 months, provided that if a health carrier imposes an exclusion from coverage and a preexisting condition limitation, the combined time period for both the coverage exclusion and preexisting condition limitation shall not exceed 18 months.

Subd. 5. [CANCELLATIONS.] No health carrier shall cancel, decline to issue, or fail to renew a health benefit plan as a result of the claim experience or health status of the small employer group; provided, however, that a health carrier may cancel, decline to issue, or fail to renew a health benefit plan:

(1) for nonpayment of the required premium or contributions toward premiums by the small employer or eligible employee;

(2) for fraud or misrepresentation by the small employer, eligible employee, or dependent with respect to their eligibility for coverage or any other material fact;

(3) if eligible employee participation during the preceding calendar year declines to less than 75 percent;

(4) for failure of an employer to comply with the health carrier's premium contribution requirements;

(5) if a health carrier ceases to do business in the small employer market pursuant to section 62K.09;

(6) for any other reasons or grounds expressly permitted by the respective licensing laws and regulations governing a health carrier, including but not limited to any service area restrictions imposed on health maintenance organizations pursuant to section 62D.03, subdivision 4, paragraph (m), and insufficient provider network capacity, as determined by the commissioner, to the extent that these grounds are not expressly inconsistent with this chapter.

Subd. 6. [MCHA ENROLLEES.] Health carriers shall offer coverage to any eligible employee or dependent enrolled in MCHA at the time of the health carrier's issuance of a health benefit plan to a small employer. MCHA enrollees shall be offered the option: (a) to be enrolled in the small employer's health benefit plan as of the first

date of renewal of a health benefit plan occurring on or after July 1, 1992, or, in the case of a new group, as of the initial effective date of the health benefit plan; or (b) to continue to be enrolled in MCHA. If the MCHA enrollee chooses to remain in MCHA, the employer must (a) pay the difference between the deductible paid by other employees for the group coverage and the deductible paid by the MCHA enrollee for the comprehensive health insurance plan; (b) pay the difference between the coinsurance paid by other employees under the group health plan and the MCHA enrollee under the comprehensive insurance plan; and (c) ensure that the MCHA enrollee does not pay more in premium contribution and out-of-pocket maximums for coverage under the MCHA coverage than the largest contribution toward premium and out-of-pocket maximums paid by any other employee receiving health care coverage through the same employer. Unless otherwise permitted by this act, health carriers shall not impose any underwriting restrictions, including any preexisting condition limitations on any eligible employee or dependent previously enrolled in MCHA and transferred to a health benefit plan so long as continuous coverage is maintained.

Sec. 4. [62K.04] [TRANSITION PERIOD.]

Subdivision 1. [APPLICABILITY OF CHAPTER REQUIREMENTS.] During the transition period, as defined in section 62K.02, subdivision 34, health carriers participating in the small employer market shall offer and make available a health benefit plan to small employers who satisfy the small employer participation requirements specified in section 62K.03, subdivision 3, and shall comply with the underwriting, rating, and other requirements set forth in sections 62K.03 to 62K.09. Compliance with these requirements is required as of the first renewal date of any small employer group occurring during the transition period. For new small employer business, compliance is required as of the first date of offering occurring during the transition period.

Subd. 2. [NEW CARRIERS.] A health carrier entering the small employer market after the transition period, as defined in section 62K.02, subdivision 34, shall begin complying with this chapter during the 365-day period beginning with the health carrier's initial offer, issue, or delivery of a health benefit plan to a small employer or an eligible employee of a small employer. Compliance with this chapter's requirements is required as of the first date of offering of a health benefit plan to a small employer. A health carrier entering the small employer market after the transition period shall be deemed to be a member of the small employer reinsurance association established by section 62K.10 as of the date of the health carrier's initial offer of a health benefit plan to a small employer.

Sec. 5. [62K.05] [SMALL EMPLOYER PLAN BENEFITS.]

Subdivision 1. [BENEFIT DESIGN.] The minimum benefits of a

small employer plan offered by a health carrier shall be equal to 80 percent of the cost of health care services covered under the small employer plan, in excess of an annual deductible which shall not exceed \$500 per individual and \$1,000 per family. Each small employer offered a small employer plan must be offered a plan that has an annual deductible of \$100 per individual and a plan that has an annual deductible of \$250 per individual. Coinsurance and deductibles shall not apply to child health supervision services and prenatal services, as defined by section 62A.047.

Out-of-pocket costs for covered services shall not exceed \$3,000 per individual and \$6,000 per family per year. The maximum lifetime benefit shall not be less than \$500,000.

Subd. 2. [MINIMUM BENEFITS.] The medical services and supplies listed in this subdivision are the minimum benefits that must be covered by a small employer plan:

(1) inpatient and outpatient hospital services, excluding services provided for the diagnosis, care or treatment of chemical dependency or a mental illness or condition, other than those conditions specified in clauses (10), (11), and (12);

(2) physician services for the diagnosis or treatment of illnesses, injuries, or conditions;

(3) diagnostic X rays and laboratory tests;

(4) ground transportation provided by a licensed ambulance service to the nearest facility qualified to treat the condition, or as otherwise required by the health carrier;

(5) services of a home health agency if the services qualify as reimbursable services under Medicare and are directed by a physician or qualify as reimbursable under the health carrier's most commonly sold health plan for insured group coverage;

(6) services of a private duty registered nurse if medically necessary, as determined by the health carrier;

(7) the rental or purchase, as appropriate, of durable medical equipment, other than eyeglasses and hearing aids;

(8) child health supervision services up to age 18, as defined in section 62A.047;

(9) maternity and prenatal care services as defined in section 62A.047;

(10) inpatient hospital and outpatient services for the diagnosis and treatment of certain mental illnesses or conditions, as defined by the International Classification of Diseases-Clinical Modification (ICD-9-CM), seventh edition (1990) and as classified as ICD-9 codes 295 to 299;

(11) up to ten hours per year of outpatient mental health diagnosis or treatment for illnesses or conditions not described in clause (10);

(12) up to 60 hours per year of outpatient treatment of chemical dependency;

(13) 50 percent of the cost of prescription drugs, up to a separate annual maximum out-of-pocket expense of \$1,000 per individual for prescription drugs, and 100 percent of the cost thereafter; and

(14) chiropractic services for the diagnosis or treatment of illnesses, injuries, or conditions within the chiropractic scope of practice as defined in section 148.01. Examination by, or referral from, a medical physician shall not be a condition of receipt of chiropractic care under this subdivision.

Subd. 3. [ADDITIONAL BENEFITS.] Health carriers may offer small employers additional benefits not listed in this section, so long as all requirements of this chapter are met.

Subd. 4. [BENEFIT EXCLUSIONS.] No medical, hospital, or other health care benefits, services, supplies, or articles not expressly set forth in subdivision 2 are required to be included in a health benefit plan. Nothing in subdivision 2 shall restrict the right of a health carrier to restrict coverage to those services which are medically necessary. Health carriers may exclude any benefit, service, supply, or article not expressly set forth in subdivision 2 from a health benefit plan.

Subd. 5. [CONTINUATION COVERAGE.] Health benefit plans must include only the continuation of coverage provisions required by the Consolidated Omnibus Reconciliation Act of 1981 (COBRA), Public Law Number 99-272, as amended.

Subd. 6. [DEPENDENT COVERAGE.] Other state law and rules applicable to health plan coverage of newborn infants, dependent children who do not reside with the eligible employee, handicapped children, and dependents and adopted children shall apply to a health benefit plan, provided, however, that section 62A.151 shall not apply to a health benefit plan issued to small employers.

Subd. 7. [MEDICAL EXPENSE REIMBURSEMENT.] Health carriers may reimburse or pay for medical services provided pursuant to a health benefit plan in accordance with the health carrier's

provided contract requirements including but not limited to salaried arrangements, capitation, the payment of usual and customary charges, fee schedules, discounts from fee-for-service, per diems, diagnostic-related groups (DRGs), and other payment arrangements. Nothing in this chapter requires a health carrier to develop, implement, or change its provider contract requirements for a health benefit plan. Coinsurance, deductibles, out-of-pocket maximums, and maximum lifetime benefits must be calculated and determined in accordance with each health carrier's standard business practices.

Subd. 8. [PLAN DESIGN.] Notwithstanding any other law, regulation, or administrative interpretation to the contrary, health carriers may offer a health benefit plan through any provider arrangement, including but not limited to the use of open, closed, or limited provider networks. The provider networks offered by any health carrier may be specifically designed for the small employer market and may be modified at the carrier's election so long as any necessary regulatory requirements are met. Health carriers shall use professionally recognized provider standards of practice when they are available, and may use any utilization management practices otherwise permitted by law, including but not limited to second surgical opinions, prior authorization, concurrent and retrospective review, referral authorizations, case management and discharge planning. A health carrier may contract with groups of providers with respect to health care services or benefits, and may negotiate with providers regarding the level or method of reimbursement provided for services rendered under a health benefit plan.

Subd. 9. [ACTUARIALLY EQUIVALENT HMO PLAN PERMITTED.] Health maintenance organizations regulated under chapter 62D may offer and make available a small employer plan that differs from the plan set forth in subdivisions 1 and 2. This alternative small employer plan must be actuarially equivalent to the minimum benefits set forth in subdivisions 1 and 2, but must be more similar to the structure of benefits customarily provided by health maintenance organizations. The commissioner of health shall adopt rules specifying the minimum set of benefits required by this subdivision.

Sec. 6. [62K.06] [DISCLOSURE OF UNDERWRITING RATING PRACTICES.]

When offering or renewing a health benefit plan, health carriers shall disclose in all solicitation and sales materials:

- (1) the case characteristic factors used to determine initial and renewal rates;
- (2) the extent to which premium rates for a small employer are

established or adjusted based upon actual or expected variation in claim experience;

(3) provisions concerning the health carrier's right to change premium rates and the factors other than claim experience that affect changes in premium rates;

(4) a description of the class of business in which a small employer is or will be included, including the applicable grouping of plan;

(5) provisions relating to renewability of coverage;

(6) the use and effect of any preexisting condition provisions, if permitted; and

(7) the use of any provider network arrangements and effect on eligibility for benefits.

Sec. 7. [62K.07] [SMALL EMPLOYER REQUIREMENTS.]

Subdivision 1. [VERIFICATION OF ELIGIBILITY.] A small employer purchasing a health benefit plan shall maintain information verifying the continuing eligibility of the employer, its employees, and their dependents and shall provide such information to its health carrier on a quarterly basis or as reasonably requested by the health carrier.

Subd. 2. [WAIVERS.] A small employer participating in a health benefit plan shall maintain written documentation of a waiver of coverage by an eligible employee or dependent and shall provide such documentation to the health carrier upon reasonable request.

Sec. 8. [62K.08] [RESTRICTIONS RELATING TO PREMIUM RATES.]

Subdivision 1. [RATE RESTRICTIONS.] Premium rates for all health benefit plans sold or issued to small employers shall be subject to the following restrictions:

(a) [INDEX RATE.] Between classes of business, the index rate for a rating period for any class of business must not exceed the index rate for any other class of business by more than 20 percent, adjusted pro rata for periods less than one year. In the case of health benefit plans issued prior to the effective date of this act, which meet the definition of section 62K.02, subdivision 20, a premium rate for a rating period, adjusted pro rata for rating periods of less than a year, may exceed the ranges set forth in section 8 for a period of five years following the effective date of this act.

(b) [PREMIUM VARIATIONS.] Within a class of business, the premium rates charged during a rating period to small employers with similar case characteristics for the same or similar coverage, or the rates which could be charged to such employers under the rating system for that class of business, shall be limited to the index rate, plus or minus 30 percent of the index rate, adjusted pro rata for rating periods of less than one year.

(c) [ANNUAL PREMIUM INCREASE.] The percentage increases in the premium rate charged to a small employer for a new rating period may not exceed the sum of the following:

(1) the percentage change in the index rate measured from the first day of the prior rating period to the first day of the new rating period;

(2) an adjustment, not to exceed 15 percent annually and adjusted pro rata for rating periods of less than one year, due to the claims experience, health status, or duration of issue of the eligible employees or dependents of the small employer as determined from the health carrier's rate manual for the class of business; and

(3) any adjustment due to change in coverage, demographic composition, or change in the case characteristics of the small employer as determined from the health carrier's rate manual for the class of business.

Subd. 2. [INVOLUNTARY TRANSFERS PROHIBITED.] A health carrier shall not involuntarily transfer a small employer into or out of a class of business. A health carrier shall not offer to transfer a small employer into or out of a class of business unless such offer is made to transfer all small employers in the class of business without regard to case characteristics, age, sex, claim experience, health status, industry of the employer, or duration of issue.

Sec. 9. [62K.09] [CESSATION OF SMALL EMPLOYER BUSINESS.]

Subdivision 1. [NOTICE TO COMMISSIONER.] A health carrier electing to cease doing business in the small employer market shall notify the commissioner 180 days prior to the effective date of the cessation. The cessation of business does not include the following activities:

(1) the elimination of a class of business by a health carrier so long as other classes of business are maintained;

(2) the failure of a health carrier to offer or issue new business in the small employer market or continue an existing product line,

provided that a health carrier does not terminate, cancel, or fail to renew its current small employer business or other product lines; and

(3) the inability of any health carrier to offer or renew a health benefit plan because it has given notice to the commissioner that it will not have the capacity within a specific provider site under contract to or owned by the health carrier to adequately deliver services to the enrollees, insureds or subscribers of health benefit plans. Any health carrier which ceases to offer a particular provider site to the small employer market must also cease to offer that provider site to new groups other than small employers for any of its products.

Subd. 2. [NOTICE TO EMPLOYERS.] A health carrier electing to cease doing business in the small employer market shall provide 120 days' written notice to each small employer covered by a health benefit plan issued by the health carrier. Any health carrier that ceases to write new business in the small employer market shall continue to be governed by this act with respect to continuing small employer business conducted by the carrier.

Subd. 3. [REENTRY PROHIBITION.] A health carrier that ceases to do business in the small employer market after the effective date of this act shall be prohibited from writing new business in the small employer market in this state for a period of five years from the date of notice to the commissioner. This subdivision shall apply to any health maintenance organization that ceases to do business in the small employer market in one service area with respect to that service area only.

Sec. 10. [62K.10] [REINSURANCE ASSOCIATION.]

Subdivision 1. [NONPROFIT CORPORATION.] The small employer reinsurance association is a nonprofit corporation.

Subd. 2. [PURPOSE.] The association is established to provide for the fair and equitable transfer of risk associated with participation by a health carrier in the small employer market to a private reinsurance pool created and maintained by the association. The participation by a health carrier in the reinsurance pool is voluntary.

Subd. 3. [TASK FORCE.] The commissioner shall establish an 11 member task force to develop the rules of participation in, and operating guidelines for, the reinsurance pool. Nine members shall represent health carriers. The commissioner shall appoint these nine members as follows: three members must be representatives of insurance companies licensed under chapter 60A to offer, sell or issue a policy of accident and sickness insurance; three members must be representatives of nonprofit health service plan corpora-

tions regulated under chapter 62C; and three members must be representatives of health maintenance organizations regulated under chapter 62D. In selecting task force members who represent insurance companies licensed under chapter 60A, the commissioner shall give preference to carriers with larger shares of the small employer market and to carriers domiciled in Minnesota. The commissioners of commerce and health shall serve as ex officio members of the task force.

Subd. 4. [APPOINTMENT.] The commissioner shall appoint the members of the task force no later than June 15, 1991.

Subd. 5. [REPORT.] The task force shall report to the legislature on its recommendations for operation of the reinsurance association no later than January 15, 1992. The report must include recommendations regarding the transfer of risk to the association, assessments, board composition, and operation of the association. The report must include recommendations regarding statutory changes necessary for implementation of the reinsurance association by July 1, 1992.

Sec. 11. [62K.11] [SUPERVISION BY COMMISSIONER.]

Subdivision 1. [REPORTS.] Health carriers doing business in the small employer market shall file by April 1 of each year an annual actuarial opinion with the commissioner certifying that the health carrier is in compliance with the underwriting and rating requirements of this chapter and that the rating methods used by the carrier are actuarially sound. Health carriers shall retain a copy of such opinion at their principal place of business.

Subd. 2. [RECORDS.] Health carriers doing business in the small employer market shall maintain at their principal place of business a complete and detailed description of their rating practices, including information and documentation which demonstrate that a health carrier's rating methods and practices are based upon commonly accepted actuarial assumptions and are in accordance with sound actuarial principles.

Subd. 3. [SUBMISSIONS TO COMMISSIONER.] The commissioner may request information and documentation from a health carrier describing its rating practices and renewal underwriting practices, including information and documentation that demonstrates that a health carrier's rating methods and practices are in accordance with sound actuarial principles. Any information received by the commissioner pursuant to this subdivision is nonpublic data pursuant to section 13.37.

Sec. 12. [62K.12] [PENALTIES AND ENFORCEMENT.]

The commissioner may suspend or revoke a health carrier's license or certificate of authority or impose a monetary penalty not to exceed \$25,000 for each violation of this chapter. Such action shall be by order and subject to the notice, hearing, and appeal procedures set forth in section 60A.051. The action of the commissioner shall be subject to judicial review pursuant to chapter 14.

Sec. 13. [62K.13] [PROHIBITED PRACTICES.]

Subdivision 1. [PROHIBITION ON ISSUANCE OF INDIVIDUAL POLICIES.] Health carriers operating in the small employer market shall not offer, issue, or renew an individual policy, subscriber contract, or certificate to any eligible employee or dependent of a small employer who satisfies the employer participation requirements set forth in section 62K.03, subdivision 3, except as permitted in subdivision 2.

Subd. 2. [EXCEPTIONS.] (a) Health carriers may sell, issue, or renew individual conversion policies to eligible employees and dependents otherwise eligible for conversion coverage pursuant to section 62D.104 as a result of leaving a health maintenance organization's service area.

(b) Health carriers may sell, issue, or renew individual conversion policies to eligible employees and dependents otherwise eligible for conversion coverage as a result of the expiration of any continuation of group coverage required under sections 62A.146, 62A.17, 62A.21, 62C.142, 62D.101, and 62D.105.

(c) Health carriers may voluntarily offer conversion policies under section 62E.17 to eligible employees.

(d) Health carriers may sell, issue or renew individual continuation policies to eligible employees as required under section 62K.05.

Subd. 3. [SALE OF OTHER PRODUCTS.] A health carrier shall not condition the offer, sale, issuance, or renewal of a health benefit plan on the purchase by a small employer of other insurance products offered by the health carrier or a subsidiary or affiliate of the health carrier, including but not limited to life, disability, property, and general liability insurance. This prohibition shall not apply to indemnity benefits offered as a supplement to a health maintenance organization plan to provide coverage to enrollees for health care services and supplies received from providers who are not employed by, under contract with, or otherwise affiliated with the health maintenance organization.

Sec. 14. [DEPARTMENT OF COMMERCE STUDY.]

The commissioner of commerce shall study the effects of Minne-

sota Statutes, chapter 62K, and shall report its findings and recommendations to the legislature no later than January 15, 1994. The commissioner of health shall cooperate and assist as needed in this study, with respect to the effects on the market for health maintenance organization coverage. The study shall determine whether the findings set forth in Minnesota Statutes, section 62K.01, subdivision 2 are correct and whether chapter 62K has achieved the purpose set forth in Minnesota Statutes, section 62K.01, subdivision 3. The study shall assist the legislature in determining whether chapter 62K should continue after June 30, 1994, and if so, what changes, if any, should be made in chapter 62K or other related statutes.

Sec. 15. [REPEALER.]

Sections 1 to 13 are repealed effective June 30, 1994.

Sec. 16. [EFFECTIVE DATE.]

Sections 1 to 14 are effective July 1, 1992, except that subdivisions 3, 4, and 5 of section 10 are effective the day following final enactment. All rulemaking authority granted by this article is effective the day following final enactment.

ARTICLE 5

OUTCOMES-BASED PILOT PROJECT

Section 1. [144.7061] [LEGISLATIVE INTENT AND FINDINGS.]

The legislature finds that the use of health care practice parameters combined with an outcomes-based approach to health care management offers unique opportunities to improve health care quality in Minnesota by reducing levels of unnecessary and ineffective health care and by providing consumers, providers, and payors with necessary information and incentives to identify and purchase quality, cost-effective health care. The savings that could be realized through the implementation of such a system on a statewide basis, as well as the improvement in the quality of care being provided, makes the goal of providing affordable, quality health care to all the citizens of the state much easier to attain.

Therefore, the legislature finds it to be appropriate and desirable to conduct an innovative pilot project to design, implement, administer, and evaluate an outcomes-based model of health care management, incorporating practice parameters.

The cost savings realized by the project will be used to periodically expand the project to include more participants, providers, and to expand the number of medical conditions and treatments covered by

practice parameters. The ultimate goal of the project will be to generate sufficient cost savings to expand the project to include all citizens of the state who do not have health care coverage.

Sec. 2. [144.7062] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For purposes of this article, the following terms have the meanings given them.

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

Subd. 3. [HEALTH CARE ANALYSIS UNIT.] “Health care analysis unit” means the unit established in article 4 of this act.

Subd. 4. [HEALTH COVERAGE.] “Health coverage” means a policy or contract providing health and accident benefits under chapter 62A, 62C, 62D, 62H, or 64B, or under section 471.617, subdivision 2. Health coverage also includes coverage provided under chapter 256B and section 256D.03, subdivision 4. Health coverage does not include a policy or contract designed primarily to provide coverage on a per diem, fixed annuity, or nonexpense-incurred basis, or that provides only accident coverage.

Subd. 5. [HEALTH PLAN COMPANY.] “Health plan company” means any entity governed by chapter 62A, 62C, 62D, 62H, or 64B, or section 471.617, subdivision 2, that offers, sells, issues, or renews health coverage in this state. Health plan company does not include an entity that sells only policies designed primarily to provide coverage on a per diem, fixed annuity, or nonexpense-incurred basis, or policies that provide only accident coverage.

Subd. 6. [PRACTICE PARAMETER.] “Practice parameter” means a recommendation used by physicians and other providers in clinical decision making for the purpose of determining when intervention is necessary and in order to minimize unnecessary, unproven, or ineffective care. Practice parameters identify the range of diagnostic, therapeutic or preventive interventions which will be utilized when documented circumstances indicate that medical treatment is necessary to improve health. Practice parameters must be supported by medical or health citations from appropriately controlled studies.

Sec. 3. [144.7063] [CONSUMERS' HEALTH IMPROVEMENT PLAN PILOT PROJECT.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of health, through the health care analysis unit, shall establish and administer the consumers' health improvement plan pilot project, and carry out the duties assigned in this article.

Subd. 2. [INITIAL PROJECT AREA.] The commissioner shall select an area or areas of the state in which to initiate the consumers' health improvement plan pilot project according to the following criteria:

(a) The initial pilot project area or areas shall include sufficient numbers of health care providers practicing in various health care specialties to ensure full access to all necessary, effective health care by pilot project participants.

(b) The initial pilot project area or areas shall contain a sufficient number of participants to allow scientifically and statistically valid analyses to be conducted based upon the data collected.

The commissioner, through the health care analysis unit, shall supervise all aspects of the project.

Subd. 3. [DUTIES OF THE HEALTH CARE ANALYSIS UNIT.] The health care analysis unit shall:

(a) Establish a process for the initial approval, revision, and addition of practice parameters. All practice parameters adopted for use in the pilot project must be supported by medical or health literature citations from appropriate studies so as to minimize unnecessary or ineffective care.

(b) Establish system requirements for an outcomes-based management system incorporating practice parameters for use in the pilot project. System requirements shall be broad enough to allow use of more than one brand or variety of software or hardware provided that they meet the compatibility objectives of this subdivision. The system selected shall:

(1) allow for direct, automated inputting of all information collected in connection with the delivery of health care;

(2) allow participating providers to precertify participants for treatment on the basis of health need and measure outcome against the cost of care;

(3) be capable of being operated from facilities used by participating health care providers;

(4) include a report function to allow both providers and consumers access to private provider and private individual data, concerning both the consumers' course of treatment and summary data concerning the comparative outcomes of treatment in similar cases.

(c) Establish and maintain a pilot project health outcomes database as follows:

(1) determine uniform specifications for the collection, transmission, and maintenance, and dissemination of health outcomes data for the pilot project that are consistent with those adopted by the health care analysis unit under article 4, section 2; and

(2) conduct studies and research on the following subjects:

(i) new and revised practice parameters to be used in connection with the pilot project;

(ii) the comparative effectiveness of alternative modes of treatment, medical equipment, and drugs;

(iii) the relative satisfaction of participants with their care, determined with reference to both provider and mode of treatment;

(iv) the cost versus the effectiveness of health care treatments; and

(v) the impact on cost and effectiveness of health care of the management techniques and administrative interventions used in the pilot project.

The health care analysis unit shall coordinate the research activities conducted under this subdivision with the research activities of the unit conducted under article 4, in order to increase the cost-effectiveness of unit activities and avoid duplication of effort.

(d) Adopt emergency and permanent rules relating to the administration of the pilot project. At a minimum, the rules must provide that:

(1) any licensed provider who agrees to render care subject to approved practice parameters and who agrees to implement the project's outcomes-based management system may participate in the pilot project; and

(2) initially, participation by pilot project providers is limited to those maintaining offices within 30 miles of the pilot project area or areas. The health care analysis unit may also designate pilot project providers from outside this area to assure that participants have full access to covered health care. Additional providers will be added as the project expands.

(e) Establish, in consultation with the health plan company under contract, appropriate financial incentives and disincentives designed to further the purposes of the project, including the application or waiver of copayments and deductibles.

(f) Establish appropriate eligibility, enrollment, premium, and payment provisions consistent with the purposes of the project.

(g) Establish an appeals panel for the timely review and resolution of written complaints brought by a provider or enrollee. The decision of the appeals panel is final and binding.

Subd. 4. [SELECTION OF HEALTH PLAN COMPANY.] (a) The commissioner shall select, by competitive bid, a health plan company to manage health care provided to pilot project participants. The health plan company must have demonstrated experience in at least the following areas:

(1) health care management;

(2) claims administration; and

(3) the management of health care information systems.

(b) The health plan company shall:

(1) adopt a provider fee schedule and negotiate contracts with hospitals and other health care providers, including but not limited to contracts for drugs and medical equipment, in which fees for services and supplies are equivalent to those prevailing under other local third-party payers.

(2) develop financial incentives and disincentives for provider reimbursement designed to further the purposes of the project. Provider reimbursement disincentives shall not be set at a rate lower than 50 percent of the provider fee schedule or contract rate negotiated in clause (1);

(3) apply, to the extent they are cost-effective, appropriate financial incentives and disincentives designed to further the purposes of the project, including the application or waiver of copayments and deductibles;

(4) implement the eligibility, enrollment, and payment provisions established by the commissioner;

(5) collect the medical outcomes data specified by the health care analysis unit; and

(6) implement all other requirements established by the commissioner under subdivision 3.

Subd. 5. [DATA TRANSFER AND CLASSIFICATION.] The health plan company under contract shall transfer data collected under this section to the health care analysis unit. The unit shall

incorporate this data into the large-scale data base established under article 4, section 2. Data collected on individuals participating in the pilot project are classified as private data on individuals and may be disclosed only as provided under article 4, section 1, subdivision 6. Summary data may be provided under section 13.03, subdivision 7, and may be released in studies produced by the health care analysis unit and made available to pilot project participants.

Subd. 6. [NONDISCOVERABLE AND INADMISSIBLE IN ANY LEGAL PROCEEDING.] Any and all data, clinical norms, medical practice parameters, findings, or other information developed, compiled or collected under this article, including compliance or non-compliance with any medical practice parameters under this pilot program, shall not be discoverable or admissible in any civil, criminal, or administrative proceeding, including but not limited to, professional licensure proceedings.

Sec. 4. [144.7064] [ELIGIBILITY.]

Subdivision 1. [PARTICIPATION.] (a) All persons residing in the pilot project area who do not have health care coverage, as defined in section 2, are eligible to participate in the project.

(b) Individuals covered by self-insured health plans may receive care rendered subject to practice parameters by pilot project providers, if they live in the pilot project area and they and their benefit plan administrator consent to their participation, and agree to share data relating to cost and outcome with the health care analysis unit.

(c) All persons covered under general assistance medical care who reside in the pilot project area are required to participate in the pilot project to the extent they seek care for which there are approved providers providing care subject to approved practice parameters. The commissioner of human services shall seek any federal waivers needed to include medical assistance recipients residing in the pilot project area, to the extent they seek care for which there are approved providers providing care subject to approved practice parameters.

(d) All persons residing in the project area who are children's health plan enrollees are eligible to participate in the project.

(e) Employees of state and local government are eligible to participate with the approval of their bargaining unit.

(f) Premiums for pilot project participants who do not have health coverage, or who are children's health plan enrollees, shall be based on the sliding scale provided in subdivisions 2 and 4. Premiums for self-insured participants, and participants who are employees of state and local government, shall be those required by their existing

plan of health benefit coverage. No premiums shall be charged to individuals enrolled in general assistance medical care or medical assistance.

Subd. 2. [SLIDING SCALE.] Each individual and family unit without health coverage enrolled in the pilot project shall pay a premium set in relation to adjusted gross income and family size. The commissioner shall establish a sliding scale to determine the amount of the premium each individual or family must pay to obtain health coverage through the pilot project. The sliding scale must use the federal poverty guidelines as the primary unit of measurement, and must be based on an individual's or family's federal adjusted gross income as shown on the federal income tax return. If the family files separate returns, the federal adjusted gross income from the returns must be combined for purposes of computing the family's federal adjusted gross income. The sliding scale must be designed so that individuals and families with adjusted gross incomes less than 25 percent of the federal poverty level pay 1.08 percent of their adjusted gross income, and those with adjusted gross incomes between 250 percent and 275 percent of the federal poverty level pay 6.5 percent of their adjusted gross income. Individuals and families with adjusted gross incomes over 275 percent of the federal poverty guideline or \$40,000, whichever is less, are not eligible for a subsidized premium and must pay 100 percent of the cost of coverage through the pilot project.

Subd. 3. [ADJUSTMENTS TO THE INCOME LIMIT AND SLIDING SCALE.] The commissioner shall adjust the sliding scale and the maximum income limit for subsidized coverage to reflect changes in prevailing income levels, health coverage costs, and benefit levels.

Subd. 4. [CHILDREN'S HEALTH PLAN ENROLLEES.] The commissioner shall establish a separate sliding scale for children's health plan enrollees. Premiums charged must be proportional to the value of benefits provided by the pilot project that are in addition to those provided under section 256.936. Children's health plan enrollees shall still be required to pay the enrollment fee required by section 256.936.

Sec. 5. [144.7065] [COVERAGE FOR HEALTH CARE FOR PILOT PROJECT PARTICIPANTS.]

Subdivision 1. [PERSONS WITHOUT HEALTH CARE COVERAGE.] The commissioner, through the health care analysis unit, shall determine basic health care coverage for persons who do not have health care coverage. That coverage shall include:

(1) care that is necessary and effective, as determined by reference to approved practice parameters and validated by measurement of outcomes;

(2) care, including preventive care, determined by the commissioner to be necessary, and for which there exists sufficient study or research data to support a finding that the care is necessary and effective; and

(3) other care determined by the commissioner to be covered, but for which there is insufficient study or research data to support a finding of necessity or effectiveness.

Subd. 2. [PERSONS COVERED UNDER STATE-FINANCED PROGRAMS.] Coverage for persons enrolled in the children's health plan, general assistance medical care, and medical assistance, if a federal waiver is granted, shall be that which is set forth in their benefits agreements:

(1) except that for care of proven effectiveness delivered subject to approved practice parameters, such coverage, including choice of provider, shall be limited to care obtained from participating providers;

(2) except that coverage shall be supplemented with preventive care as defined by the Guidelines of the United States Task Force on Preventive Care to the extent it is necessary and effective; and

(3) except that the commissioner of health, after consultation with the commissioner of human services, may provide additional benefits to children's health plan enrollees beyond those provided under section 256.936.

A waiver of federal regulations shall be requested with respect to coverage mandated by federal law whenever care is provided under practice parameters by pilot project providers.

Subd. 3. [PERSONS COVERED UNDER SELF-INSURED PLANS; EMPLOYEES OF STATE AND LOCAL GOVERNMENT.] Coverage for persons enrolled in self-insured health plans participating in the pilot project, and for state and local government employees who are participants, shall be that set forth in their benefits agreements:

(1) provided, however, that care is provided under pilot project guidelines by pilot project providers; and

(2) provided further that preventive care from pilot project providers shall be made available to the extent it is necessary and effective care.

Subd. 4. [COORDINATION.] The commissioner shall take such steps as may be reasonable and necessary to reconcile existing health coverage with care provided participants by pilot project

providers. Any conflict between existing health coverage practice parameters and pilot project practice parameters shall be resolved in favor of the pilot project practice parameters.

Coverage for persons who do not otherwise have health care coverage and persons enrolled in state-subsidized health programs based on benefits shall be converted to coverage based on need and effectiveness at the earliest possible date.

The health care analysis unit shall make every possible effort to eliminate barriers to access to health care determined to be both necessary and effective and take steps to eliminate access to health care not determined to be necessary and effective.

Subd. 5. [PROVIDER PANELS.] (a) The commissioner shall appoint panels of providers with appropriate experience and expertise. The panels shall advise the health care analysis unit regarding new and revised practice parameters which have been supported by medical or health citations from appropriately controlled studies, based on outcomes data collected by the pilot project.

(b) In situations where these practice parameters overlap specialty or other professional boundaries, the panels must include representatives from each affected specialty or provider group.

(c) These panels shall advise the health care analysis unit in defining outcomes and how they should properly be used.

(d) These panels shall also advise the health care analysis unit about adding participants and providers during the course of the project to maximize the cost savings generated by the project and to expand its size and scope to the extent practicable.

(e) The advice solicited pursuant to this subdivision is not binding on the health care analysis unit.

Sec. 6. [144.7066] [ADMINISTRATION OF THE PILOT PROJECT.]

Subdivision 1. [CLAIM PAYMENT.] Participating providers shall be paid by the health plan company on the basis of fee schedules, contracts, and, to the extent they are cost effective, financial incentives established by the commissioner.

The commissioner shall conduct periodic audits of the health plan company under contract. The health plan company shall audit pilot project providers' outcomes management systems to ensure that cost and effectiveness data is accurately reported and pilot project guidelines are adhered to.

Subd. 2. [GENERAL ADMINISTRATION.] The commissioner shall establish a pilot project administrative office, hire staff and arrange working relationships with persons currently employed by the state of Minnesota in the administration of health coverage programs. The commissioner shall also initiate procedures designed to identify and recruit for participation in the pilot project persons who do not have health care coverage, persons currently enrolled in state-financed health programs, and persons receiving coverage from self-insured plans.

Subd. 3. [ASSISTANCE.] State departments, agencies, boards, and commissions shall provide the assistance to the commissioner of health to design, implement, administer, and evaluate the pilot project. The evaluation shall include an estimate of the savings accrued by state-financed health care programs due to the pilot project.

Subd. 4. [WAIVER OF INCONSISTENT PROVISIONS.] The commissioner of health and the commissioner of commerce may waive mandated health benefit requirements, and open enrollment requirements, if there is reasonable evidence that these requirements would prohibit the operation of the pilot project. The commissioner of health and the commissioner of commerce shall provide for public comment before any requirement is waived. For purposes of the pilot project, section 72A.20, subdivision 15, clause (4) applies.

Sec. 7. [144.7067] [REPORTS.]

The commissioner shall, by the end of January of each year the pilot project is operating, provide a detailed report to the legislature. The report must include a review by the health care analysis unit of the:

- (1) outcomes of care provided in the pilot project;
- (2) progress in implementing, expanding, or revising practice parameters for use in connection with all necessary and effective modes of treatment used in the pilot project;
- (3) actual improvements in quality of care achieved as a result of providing only care that is necessary and effective;
- (4) actual savings achieved as a result of rendering only necessary, proven, and effective care;
- (5) impact of the pilot project's systems, technologies, and methods on all providers and other participants, health care, and the health care delivery system in general;

(6) progress in eliminating barriers to access to necessary and effective care rendered participants enrolled in the pilot project; and

(7) results likely to be achieved if the pilot project were extended to include additional persons who do not have health care coverage and additional persons currently enrolled in state or employer financed health insurance programs.

The report must include recommendations for any additional legislation needed to implement the project.

In the report due January 1, 1993, and each subsequent year, the commissioner shall make recommendations regarding any expansion of the project during the next year, including expanding the project area, the number of participants and providers, and the practice parameters to be added, or the termination of the pilot project.

Sec. 8. [REPEALER.]

This article is repealed July 1, 1996.

ARTICLE 6

Section 1. [62K.01] [CONTRACTING AUTHORITY.]

Subdivision 1. [GENERAL.] The commissioner of commerce may request bids from, and negotiate and contract with, carriers the commissioner determines are best qualified to underwrite and service health care plans that meet the requirements of section 62K.02. The commissioner may establish any conversion and continuation privileges for those plans the commissioner considers appropriate. The commissioner may negotiate premium rates and coverage provisions with all carriers regulated under chapters 62A, 62C, and 62D. The commissioner may also negotiate reasonable cost containment measures to be applied to all carriers under chapters 62A, 62C, and 62D. The commissioner shall consider the cost of the plans, conversion options relating to the contracts, service capabilities, character, financial position, and reputation of the carriers and other factors the commissioner considers appropriate. Each contract must be for a uniform term of at least one year but may be made automatically renewable from term to term in the absence of notice of termination by either party. The commissioner shall, to the extent feasible, offer a choice of plans available from two or more carriers regulated under chapters 62A, 62C, and 62D. The commissioner may offer only one plan in an area of the state if only one acceptable bid exists or if offering more than one would result in substantial, additional administrative costs.

Subd. 2. [CONTRACT TO CONTAIN STATEMENT OF BENE-

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;
- (2) professional services for the diagnosis or treatment of injuries, illnesses, or conditions, other than dental, which are rendered by a physician or at the physician's direction;
- (3) drugs requiring a physician's prescription, not to exceed \$250 in any year;
- (4) oral surgery for partially or completely unerupted impacted teeth, a tooth root without the extraction of the entire tooth, or the gums and tissues of the mouth when not performed in connection with the extraction or repair of teeth; and
- (5) transportation provided by licensed ambulance service to the nearest facility qualified to treat the condition; or a reasonable mileage rate for transportation to a kidney dialysis center for treatment.

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

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

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

Subd. 5. [NONAPPLICATION OF MANDATES.] The provider, disease, and treatment mandates established in chapters 62A, 62C, 62D, 62E, and other provisions of state law do not apply to these policies.

Subd. 6. [OPTIONAL COVERAGES.] The commissioner may offer coverages in addition to those required by this section.

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

Subdivision 1. [RESIDENTS WITH NO COVERAGE.] (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] [ENROLLMENT AND PREMIUM PAYMENTS.]

The time, manner, conditions, and terms of eligibility and payment of premiums for enrollment of eligible persons for coverage

under this chapter shall be determined by the commissioner in rule. The rules must allow for monthly premium payments.

Sec. 5. [62K.05] [SOLICITATION OF ELIGIBLE PERSONS.]

The commissioner shall disseminate appropriate information to the residents of this state about the existence of coverage under this chapter and the means of enrollment. Means of communication may include use of the press, radio, and television, as well as publication in appropriate state offices and publications.

The commissioner shall devise and implement methods to maintain public awareness of the provisions of this chapter and shall administer this chapter in a manner that facilitates public participation.

Sec. 6. [62K.06] [CIVIL PENALTY.]

The commissioner of commerce shall impose a civil penalty upon an employer that discontinues all plans of health coverage provided or made available to its employees who are Minnesota residents if the commissioner finds that the discontinuation occurred because the employees were eligible for coverage under this chapter.

The amount of the civil penalty must be equal to two times the total annual premium obligation of that employer for the previous calendar year.

The commissioner of revenue shall provide the commissioner of commerce with information necessary for the administration and enforcement of this section.

Sec. 7. Minnesota Statutes 1990, 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 6.

Sec. 8. [290.0675] [HEALTH CARE CREDIT.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of this credit, the following definitions have the meanings given them.

(b) "Eligible premiums" means the premiums paid during the taxable year for the coverage of the taxpayer and dependents of the taxpayer for health care coverage under chapter 62K. It does not include premiums paid for optional coverage.

(c) "Qualified health care coverage" means health care coverage under chapter 62K.

(d) "Qualified individual taxpayer" means (1) a married individual filing jointly whose household income for the taxable year does not exceed \$25,000; (2) a married individual filing separately whose household income for the taxable year does not exceed \$12,500; and (3) an unmarried individual whose household income for the taxable year does not exceed \$15,000.

(e) "Household income" has the meaning given it in section 290A.03, subdivision 5.

Subd. 2. [CREDIT ALLOWED.] A qualified individual taxpayer who has paid eligible premiums for qualified health care coverage

may take a credit against the tax due for the taxable year under this chapter.

Subd. 3. [AMOUNT OF CREDIT.] The amount of the credit is 100 percent of the eligible premiums that exceed five percent of the taxpayer's household income.

Subd. 4. [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. 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.

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, 1990.

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 qualified health care coverage be filed with the return claiming the credit.

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

Sec. 9. Minnesota Statutes 1990, 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, 1989, 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, 1989, 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. 10. Minnesota Statutes 1990, 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. 11. [EFFECTIVE DATE.]

Sections 7 to 10 are effective for taxable years beginning after December 31, 1991.

ARTICLE 7

HEALTH PROFESSIONAL EDUCATION

Section 1. Minnesota Statutes 1990, section 136A.1355, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] To be eligible to participate in the program, a prospective physician must 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 who is accepted must sign a contract to agree to serve at least three of the first five years following residency in a designated rural area.

Sec. 2. Minnesota Statutes 1990, section 136A.1355, subdivision 3, is amended to read:

Subd. 3. [LOAN FORGIVENESS.] Prior to June 30, 1991, the higher education coordinating board may accept up to eight applicants who are fourth year medical students, up to eight applicants who are first year residents, and up to eight applicants who are second year residents for participation in the loan forgiveness program. For the period July 1, 1991 through June 30, 1995, the higher education coordinating board may accept up to eight applicants who are fourth year medical students per fiscal year for participation in the loan forgiveness program. Applicants are responsible for securing their own loans. Applicants chosen to participate in the loan forgiveness program may designate for each year of medical school, up to a maximum of four years, 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 four 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.

Sec. 3. [136A.1356] [MIDLEVEL PRACTITIONER EDUCATION ACCOUNT.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following definitions apply:

(a) "Designated rural area" means a Minnesota community that:

- (1) is outside a ten-mile radius of a ranally area;
- (2) has more than 2,000 persons per physician, including seasonal variation; and
- (3) has notified the higher education coordinating board of its need for a physician or nurse for the community.

For purposes of this definition, "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 other communities significantly depends on the central city or cities.

(b) "Midlevel practitioner" means a nurse practitioner, nurse-midwife, nurse anesthetist, advanced clinical nurse specialist, or physician assistant.

(c) "Nurse-midwife" means a registered nurse who has graduated from a program of study designed to prepare registered nurses for advance practice as nurse-midwives.

(d) "Nurse practitioner" means a registered nurse who has graduated from a program of study designed to prepare registered nurses for advance practice as nurse practitioners.

(e) "Physician assistant" means a person meeting the definition in Minnesota Rules, part 5600.2600, subpart 11.

Subd. 2. [CREATION OF ACCOUNT.] A midlevel practitioner education account is established. The higher education coordinating board shall use money from the account to establish a loan forgiveness program for midlevel practitioners agreeing to practice in designated rural areas.

Subd. 3. [ELIGIBILITY.] To be eligible to participate in the program, a prospective midlevel practitioner must submit a letter of interest to the higher education coordinating board prior to or while attending a program of study designed to prepare the individual for service as a midlevel practitioner. Before completing the first year of this program, a midlevel practitioner must sign a contract to agree to serve at least two of the first four years following graduation from the program in a designated rural area.

Subd. 4. [LOAN FORGIVENESS.] The higher education coordinating board may accept up to eight applicants per year for participation in the loan forgiveness program. Applicants are responsible for securing their own loans. Applicants chosen to participate in the loan forgiveness program may designate for each year of midlevel practitioner study, up to a maximum of two years, an

agreed amount, not to exceed \$7,000, as a qualified loan. For each year that a participant serves as a midlevel practitioner in a designated rural area, up to a maximum of four years, the higher education coordinating board shall annually repay an amount equal to one-half a qualified loan and the interest accrued on one-half a qualified loan. 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 service commitment required under subdivision 4 for full repayment of all qualified loans, the higher education coordinating board shall collect from the participant 100 percent of any payments made for qualified loans and interest, plus a penalty of 50 percent of the amount paid. The higher education coordinating board shall deposit the money collected in the midlevel practitioner education account. The board shall allow waivers of all or part of the money owed the board if emergency circumstances prevented fulfillment of the required service commitment.

Sec. 4. [144A.70] [EDUCATION ACCOUNT FOR NURSES WHO AGREE TO PRACTICE IN A NURSING HOME OR INTERMEDIATE CARE FACILITY FOR PERSONS WITH MENTAL RETARDATION AND RELATED CONDITIONS.]

Subdivision 1. [CREATION OF THE ACCOUNT.] An education account in the general fund is established for a loan forgiveness program for nurses who agree to practice nursing in a nursing home or intermediate facility for persons with mental retardation and related conditions. The account consists of money appropriated by the legislature and repayments and penalties collected under subdivision 4. Money from the account must be used for a loan forgiveness program.

Subd. 2. [ELIGIBILITY.] To be eligible to participate in the loan forgiveness program, a person planning to enroll in a program of study designed to prepare the person to become a registered nurse or licensed practical nurse must submit a letter of interest to the commissioner before enrolling in the nursing education program. Before completing the first year of study, the applicant must sign a contract in which the applicant agrees to practice nursing for at least one of the first two years following completion of the nursing education program providing nursing services in a licensed nursing home or intermediate care facility for persons with mental retardation and related conditions.

Subd. 3. [LOAN FORGIVENESS.] The commissioner may accept up to ten applicants a year. Applicants are responsible for securing their own loans. For each year of nursing education, for up to two years, applicants accepted into the loan forgiveness program may designate an agreed amount, not to exceed \$3,000, as a qualified

loan. For each year that a participant practices nursing in a nursing home or intermediate care facility for persons with mental retardation and related conditions, up to a maximum of two years, the commissioner shall annually repay an amount equal to one year of qualified loans and the interest accrued on the loans. Participants who move from one nursing home or intermediate care facility for persons with mental retardation and related conditions to another remain eligible for loan repayment.

Subd. 4. [PENALTY FOR NONFULFILLMENT.] If a participant does not fulfill the service commitment required under subdivision 3 for full repayment of all qualified loans, the commissioner shall collect from the participant 100 percent of any payments made for qualified loans and interest, plus a penalty of 50 percent of the amount paid. The commissioner shall deposit the collections in the general fund to be credited to the account established in subdivision 1. The commissioner may grant a waiver of all or part of the money owed as a result of a nonfulfillment penalty if emergency circumstances prevented fulfillment of the required service commitment.

Subd. 5. [RULES.] The commissioner shall adopt rules to implement this section.

Sec. 5. [STUDY OF OBSTETRICAL ACCESS.]

The commissioner of health shall study access to obstetrical services in Minnesota and report to the legislature by February 1, 1992. The study must examine the number of physicians discontinuing obstetrical care in recent years and the effects of high malpractice costs and low government program reimbursement for obstetrical services, and must identify areas of the state where access to obstetrical services is most greatly affected. The commissioner shall recommend ways to reduce liability costs and to encourage physicians to continue to provide obstetrical services.

Sec. 6. [GRANT PROGRAM FOR MIDDLELEVEL PRACTITIONER TRAINING.]

The higher education coordinating board shall award grants to Minnesota schools or colleges that educate, or plan to educate midlevel practitioners, in order to establish and administer midlevel practitioner training programs in areas of rural Minnesota with the greatest need for midlevel practitioners. The program must address rural health care needs, and incorporate innovative methods of bringing together faculty and students, such as the use of telecommunications, and must provide both clinical and lecture components. The board shall award two grants for the fiscal year ending June 30, 1992.

Sec. 7. [GRANTS FOR CONTINUING EDUCATION.]

The higher education coordinating board shall establish a competitive grant program for schools of nursing and other providers of continuing nurse education, in order to develop continuing education programs for nurses working in rural areas of the state. The programs must complement, and not duplicate, existing continuing education activities, and must specifically address the needs of nurses working in rural practice settings. The board shall award two grants for the fiscal year ending June 30, 1992.

Sec. 8. [FEASIBILITY STUDIES.]

The higher education coordinating board shall conduct feasibility studies to assess: (1) the need for outreach baccalaureate nurse education programs that would offer classes and clinical experiences in sites convenient to students living in rural areas of the state with the greatest need for registered nurses; and (2) the need for a four-year, generic, baccalaureate degree program for registered nurses in northern Minnesota. The board shall present findings and recommendations to the legislature by February 15, 1992.

ARTICLE 8

APPROPRIATIONS

(a) \$10,000,000 is appropriated from the general fund to the commissioner of health for the purposes of articles 3 and 5. This appropriation is available until expended.

(b) \$200,000 is appropriated from the general fund to the commissioner of commerce for the purposes of articles 4 and 6. This appropriation is available until expended.

(c) \$175,000 is appropriated from the general fund to the commissioner of revenue for the purposes of article 6. This appropriation is available only during the second year of the biennium.

(d) \$553,000 is appropriated from the general fund to the commissioner of human services for the purposes of article 2. This appropriation is available until expended.

(e) \$252,000 is appropriated from the general fund to the higher education coordinating board for the purposes of article 7. This appropriation is available until expended.

(f) \$1,495,000 is appropriated from the general fund to the commissioner of health for the purposes of articles 1, 2, and 7. This appropriation is available until expended.

(g) \$15,000,000 is appropriated from the general fund to the commissioner of human services for the purpose of the Minnesota

catastrophic health expense protection act of 1976, Minnesota Statutes, section 62E.51 to 62E.55. This appropriation is available until expended.”

Delete the title and insert:

“A bill for an act relating to health care; establishing an office of rural health; requiring rural health initiatives; requiring data and research initiatives; providing a health insurance plan for small employees; providing an outcomes-based health care pilot project; providing health care coverage for persons who are not otherwise covered; requiring initiatives related to health professional education; appropriating money; amending Minnesota Statutes 1990, sections 16A.124, subdivision 4; 43A.17, subdivision 9; 43A.23, by adding a subdivision; 136A.1355, subdivisions 2 and 3; 144.147, subdivisions 1 and 4; 144.581, subdivision 1; 144.698, subdivision 1; 144.8093; 145.61, subdivision 5; 145.64; 176.011, subdivision 9; 256.969, subdivision 6a; 290.01, subdivision 19a; 290.92, subdivisions 5 and 5a; and 447.31, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapters 62J; 136A; 144; and 144A; proposing coding for new law as Minnesota Statutes, chapter 62K.”

A roll call was requested and properly seconded.

The question was taken on the Gruenes and Bettermann amendment and the roll was called. There were 55 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Jennings	Morrison	Seaberg
Anderson, R. H.	Girard	Johnson, V.	Newinski	Smith
Bertram	Goodno	Knickerbocker	Olsen, S.	Stanius
Bettermann	Gruenes	Koppendraye	Omann	Sviggum
Bishop	Gutknecht	Krinkie	Onnen	Swenson
Blatz	Hartle	Leppik	Ozment	Tompkins
Boo	Haukoos	Limmer	Pauly	Uphus
Davids	Heir	Lynch	Pellow	Valento
Dempsey	Henry	Macklin	Runbeck	Waltman
Dille	Hufnagle	Marsh	Schafer	Weaver
Erhardt	Hugoson	McPherson	Schreiber	Welker

Those who voted in the negative were:

Anderson, I.	Cooper	Janezich	Lasley	Nelson, K.
Anderson, R.	Dauner	Jaros	Lieder	Nelson, S.
Battaglia	Dawkins	Jefferson	Long	O'Connor
Beard	Dorn	Johnson, A.	Lourey	Ogren
Begich	Farrell	Johnson, R.	Mariani	Olson, E.
Bodahl	Garcia	Kahn	McEachern	Olson, K.
Brown	Greenfield	Kalis	McGuire	Orenstein
Carlson	Hanson	Kelso	Milbert	Orfield
Carruthers	Hausman	Kinkel	Munger	Osthoff
Clark	Jacobs	Krueger	Murphy	Ostrom

Pelowski	Rodosovich	Skoglund	Tunheim	Winter
Peterson	Rukavina	Solberg	Vellenga	Spk. Vanasek
Pugh	Sarna	Sparby	Wagenius	
Reding	Scheid	Steensma	Wejzman	
Rest	Segal	Thompson	Welle	
Rice	Simoneau	Trimble	Wenzel	

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

Bishop moved to amend H. F. No. 2, the second engrossment, as amended, as follows:

Page 11, delete section 7

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 Bishop amendment and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Olsen, S.	Simoneau
Anderson, I.	Garcia	Knickerbocker	Olson, E.	Skoglund
Anderson, R.	Girard	Koppendrayer	Olson, K.	Smith
Anderson, R. H.	Goodno	Krinkie	Omann	Solberg
Battaglia	Greenfield	Krueger	Onnen	Sparby
Bauerly	Gruenes	Lasley	Orenstein	Stanius
Beard	Gutknecht	Leppik	Orfield	Steensma
Begich	Hanson	Lieder	Osthoff	Svigum
Bertram	Hartle	Limmer	Ostrom	Swenson
Bettermann	Hasskamp	Long	Ozment	Thompson
Bishop	Haukoos	Lourey	Pauly	Tompkins
Blatz	Hausman	Lynch	Pellow	Trimble
Bodahl	Heir	Macklin	Pelowski	Tunheim
Boo	Henry	Mariani	Peterson	Uphus
Brown	Hufnagle	Marsh	Pugh	Valento
Carlson	Hugoson	McEachern	Reding	Vellenga
Carruthers	Jacobs	McGuire	Rest	Wagenius
Clark	Janezich	McPherson	Rice	Waltman
Cooper	Jaros	Milbert	Rodosovich	Weaver
Dauner	Jefferson	Morrison	Rukavina	Wejzman
Davids	Jennings	Munger	Runbeck	Welker
Dawkins	Johnson, A.	Murphy	Sarna	Welle
Dempsey	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dille	Johnson, V.	Nelson, S.	Scheid	Winter
Dorn	Kahn	Newinski	Schreiber	Spk. Vanasek
Erhardt	Kalis	O'Connor	Seaberg	
Farrell	Kelso	Ogren	Segal	

The motion prevailed and the amendment was adopted.

H. F. No. 2, A bill for an act relating to health care; creating a bureau of health care access; establishing the Minnesotans' health care plan; establishing an office of rural health; requiring rural health initiatives; requiring data and research initiatives; restricting underwriting and premium rating practices; providing a health insurance plan for small employees; requiring initiatives related to health professional education; appropriating money; amending Minnesota Statutes 1990, sections 16A.124, subdivision 4; 43A.17, subdivision 9; 43A.23, by adding a subdivision; 136A.1355, subdivisions 2 and 3; 144.147, subdivisions 1 and 4; 144.581, subdivision 1; 144.698, subdivision 1; 144.8093; 145.61, subdivision 5; 145.64; 176.011, subdivision 9; 256.969, subdivision 6a; 290.01, subdivision 196; and 447.31, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapters 16B; 62A; 62J; 144; and 144A; proposing coding for new law as Minnesota Statutes, chapter 62K.

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 86 yeas and 47 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Dorn	Krueger	Orenstein	Sparby
Anderson, R.	Farrell	Lasley	Orfield	Steensma
Battaglia	Garcia	Lieder	Osthoff	Sviggum
Bauerly	Greenfield	Long	Ostrom	Thompson
Beard	Hanson	Lourey	Pelowski	Trimble
Begich	Hasskamp	Mariani	Peterson	Tunheim
Bertram	Hausman	McEachern	Pugh	Uphus
Bishop	Jacobs	McGuire	Reding	Vellenga
Bodahl	Janezich	Milbert	Rest	Wagenius
Boo	Jaros	Munger	Rice	Wejman
Brown	Jefferson	Murphy	Rodosovich	Welle
Carlson	Jennings	Nelson, K.	Rukavina	Wenzel
Carruthers	Johnson, A.	Nelson, S.	Sarna	Winter
Clark	Johnson, R.	Newinski	Scheid	Spk. Vanasek
Cooper	Kahn	O'Connor	Segal	
Dauner	Kalis	Ogren	Simoneau	
Dawkins	Kelso	Olson, E.	Skoglund	
Dille	Kinkel	Olson, K.	Solberg	

Those who voted in the negative were:

Abrams	Frerichs	Heir	Krinkie	Morrison
Anderson, R. H.	Girard	Henry	Leppik	Olsen, S.
Bettermann	Goodno	Hufnagle	Limmer	Omann
Blatz	Gruenes	Hugoson	Lynch	Onnen
Dauids	Gutknecht	Johnson, V.	Macklin	Ozment
Dempsey	Hartle	Knickerbocker	Marsh	Pauly
Erhardt	Haukoos	Koppendrayar	McPherson	Pellow

Runbeck
Schafer
Schreiber

Seaberg
Smith
Stanius

Swenson
Tompkins
Valento

Waltman
Weaver
Welker

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

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 543, A bill for an act relating to human services; providing funding for various pilot projects.

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. 734, A bill for an act relating to transportation; regulating limousine drivers; adding identification to license plates; providing for limousine driver endorsement on drivers licenses; providing for payment of fees for limousine drivers licenses; requiring the commissioner of transportation to adopt rules relating to limousine permits; providing for local regulation; appropriating money; amending Minnesota Statutes 1990, sections 168.128, subdivisions 2 and 3; 171.01, by adding a subdivision; 171.02, subdivision 2; 171.10, subdivision 2; 171.13, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 221.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 168.011, subdivision 35, is amended to read:

Subd. 35. [LIMOUSINE.] "~~Limousine~~" means a ~~passenger automobile, other than a taxicab or a passenger-carrying van-type vehicle, that does not provide regular route service and that has a seating capacity, excluding the driver, of not more than 12 passen-~~

gers. For purposes of motor vehicle registration only, "limousine" means an unmarked luxury passenger automobile that is not a van or station wagon and has a seating capacity of not more than 12 persons, excluding the driver.

Sec. 2. Minnesota Statutes 1990, section 168.128, subdivision 2, is amended to read:

Subd. 2. [LICENSE PLATES.] A person who operates a limousine for other than personal use shall apply to register the vehicle as provided in this section. A person who operates a limousine for personal use may apply. The registrar shall issue limousine license plates upon the applicant's compliance with laws relating to registration and licensing of motor vehicles and drivers and certification by the owner that an insurance policy in an aggregate amount of \$300,000 per accident is in effect for the entire period of the registration under section 65B.135. The applicant must provide the registrar with proof that the passenger automobile license tax and a \$10 fee have been paid for each limousine receiving limousine license plates. The limousine license plates must be designed to specifically identify the vehicle as a limousine and must be clearly marked with the letters "LM." Limousine license plates may not be transferred upon sale of the limousine, but may be transferred to another limousine owned by the same person upon notifying the registrar and paying a \$5 transfer fee.

Sec. 3. Minnesota Statutes 1990, section 168.128, subdivision 3, is amended to read:

Subd. 3. [INSURANCE.] The application must include a certificate of insurance verifying that a valid commercial insurance policy is in effect and giving the name of the insurance company and the number of the insurance policy. The policy must provide stated limits of liability, exclusive of interest and costs, with respect to each vehicle for which coverage is granted, of not less than \$100,000 because of bodily injury to one person in any one accident and, subject to said limit for one person, of not less than \$300,000 because of injury to two or more persons in any one accident and of not less than \$100,000 because of injury to or destruction of property. The insurance company must notify the commissioner if the policy is canceled or if the policy no longer provides the coverage required by this subdivision.

The commissioner shall immediately notify the commissioner of transportation if the policy of a person required to have a permit under section 6 is canceled or no longer provides the coverage required by this subdivision.

Sec. 4. Minnesota Statutes 1990, 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 1990, section 221.091, is amended to read:

221.091 [LIMITATIONS.]

No provision in sections 221.011 to 221.291 and section 6 shall authorize the use by any carrier of any public highway in any city of the first class in violation of any charter provision or ordinance of such city in effect January 1, 1925, unless and except as such charter provisions or ordinance may be repealed after that date; nor shall sections 221.011 to 221.291 and section 6 be construed as in any manner taking from or curtailing the right of any city to reasonably regulate or control the routing, parking, speed or the safety of operation of a motor vehicle operated by any carrier under the terms of sections 221.011 to 221.291 and section 6, or the general police power of any such city over its highways; nor shall sections 221.011 to 221.291 and section 6 be construed as abrogating any provision of the charter of any such city requiring certain conditions to be complied with before such carrier can use the highways of such city and such rights and powers herein stated are hereby expressly reserved and granted to such city; but no such city shall prohibit or deny the use of the public highways within its territorial boundaries by any such carrier for transportation of passengers or property received within its boundaries to destinations beyond such boundaries, or for transportation of passengers or property from points beyond such boundaries to destinations within the same, or for transportation of passengers or property from points beyond such boundaries through such municipality to points beyond the boundaries of such municipality, where such operation is pursuant to a

certificate of convenience and necessity issued by the commission or to a permit issued by the commissioner under section 6.

Sec. 6. [221.85] [OPERATION OF LIMOUSINES.]

Subdivision 1. [DEFINITION.] "Limousine service" means a service that:

(1) is not provided on a regular route;

(2) is provided in an unmarked luxury passenger automobile that is not a van or station wagon and has a seating capacity of not more than 12 persons, excluding the driver;

(3) provides only prearranged pickup; and

(4) charges more than a taxicab fare for a comparable trip.

Subd. 2. [PERMIT REQUIRED; RULES.] No person may operate a for-hire limousine service without a permit from the commissioner. The commissioner shall adopt rules governing the issuance of permits for for-hire operation of limousines that include:

(1) annual inspections of limousines;

(2) driver qualifications, including requiring a criminal history check of drivers;

(3) insurance requirements in accordance with section 168.128;

(4) advertising regulation, including requiring a copy of the permit to be carried in the limousine and use of the words "licensed and insured";

(5) provisions for agreements with political subdivisions for sharing enforcement costs;

(6) issuance of temporary permits and temporary permit fees; and

(7) other requirements deemed necessary by the commissioner.

This section does not apply to limousines operated by persons meeting the definition of private carrier in section 221.011, subdivision 26.

Subd. 3. [PENALTIES.] The commissioner may issue an order requiring violations of statutes, rules, and local ordinances governing operation of limousines to be corrected and assessing monetary penalties up to \$1,000. The commissioner may suspend or revoke a

permit for violation of applicable statutes and rules and, upon the request of a political subdivision, may immediately suspend a permit for multiple violations of local ordinances. The commissioner shall immediately suspend a permit for failure to maintain required insurance and shall not restore the permit until proof of insurance is provided. A person whose permit is revoked or suspended or who is assessed an administrative penalty may appeal the commissioner's action in a contested case proceeding under chapter 14.

Subd. 4. [PERMITS; DECALS.] (a) The commissioner shall design a distinctive decal to be issued to permit holders under this section. Each decal is valid for one year from the date of issuance. No person may operate a limousine that provides limousine service unless the limousine has such a decal conspicuously displayed.

(b) During the period July 1, 1991, to June 30, 1992, the fee for each decal issued under this section is \$150. After June 30, 1992, the fee for each decal is \$80. The fee for each permit issued under this section is \$150. The commissioner shall deposit all fees under this section in the trunk highway fund.

Sec. 7. [APPROPRIATION.]

\$75,000 for the fiscal year ending June 30, 1992, and \$47,000 for the fiscal year ending June 30, 1993, is appropriated from the trunk highway fund to the commissioner of transportation for the purposes of section 6. The complement of the department of transportation in the fiscal year ending June 30, 1993, is increased by 1.5 positions."

Delete the title and insert:

"A bill for an act relating to transportation; regulating limousine service; adding identification to license plates; requiring the commissioner of transportation to adopt rules relating to limousine permits; appropriating money; amending Minnesota Statutes 1990, sections 168.011, subdivision 35; 168.128, subdivisions 2 and 3; 221.025; and 221.091; proposing coding for new law in Minnesota Statutes, chapter 221."

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. 761, A bill for an act relating to education; requiring the state board of technical colleges to develop training materials for people who provide services to people with developmental disabili-

ties; creating an advisory task force; requiring a report; appropriating money.

Reported the same back with the following amendments:

Page 1, line 16, delete "shall" and insert "may contract with state or private entities to"

Page 2, delete section 2

Amend the title as follows:

Page 1, line 2, delete "requiring" and insert "permitting"

Page 1, line 6, 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. 1002, A bill for an act relating to housing; authorizing the Minnesota housing finance agency to establish a shallow rent subsidy program, a lease-purchase housing program and providing for a blighted property acquisition program, and a housing capital reserve program; changing eligibility requirements and allocation formulas for the community resource program; appropriating money; amending Minnesota Statutes 1990, sections 462A.05, by adding a subdivision; 466A.01, subdivision 2; 466A.02, subdivision 2; and 466A.05, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 462A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
LANDLORD AND TENANT

Section 1. Minnesota Statutes 1990, section 481.02, subdivision 3, is amended to read:

Subd. 3. [PERMITTED ACTIONS.] The provisions of this section shall not prohibit:

(1) any person from drawing, without charge, any document to which the person, an employer of the person, a firm of which the person is a member, or a corporation whose officer or employee the person is, is a party, except another's will or testamentary disposition or instrument of trust serving purposes similar to those of a will;

(2) a person from drawing a will for another in an emergency if the imminence of death leaves insufficient time to have it drawn and its execution supervised by a licensed attorney-at-law;

(3) any insurance company from causing to be defended, or from offering to cause to be defended through lawyers of its selection, the insureds in policies issued or to be issued by it, in accordance with the terms of the policies;

(4) a licensed attorney-at-law from acting for several common-carrier corporations or any of its subsidiaries pursuant to arrangement between the corporations;

(5) any bona fide labor organization from giving legal advice to its members in matters arising out of their employment;

(6) any person from conferring or cooperating with a licensed attorney-at-law of another in preparing any legal document, if the attorney is not, directly or indirectly, in the employ of the person or of any person, firm, or corporation represented by the person;

(7) any licensed attorney-at-law of Minnesota, who is an officer or employee of a corporation, from drawing, for or without compensation, any document to which the corporation is a party or in which it is interested personally or in a representative capacity, except wills or testamentary dispositions or instruments of trust serving purposes similar to those of a will, but any charge made for the legal work connected with preparing and drawing the document shall not exceed the amount paid to and received and retained by the attorney, and the attorney shall not, directly or indirectly, rebate the fee to or divide the fee with the corporation;

(8) any person or corporation from drawing, for or without a fee, farm or house leases, notes, mortgages, chattel mortgages, bills of sale, deeds, assignments, satisfactions, or any other conveyances except testamentary dispositions and instruments of trust;

(9) a licensed attorney-at-law of Minnesota from rendering to a corporation legal services to itself at the expense of one or more of its bona fide principal stockholders by whom the attorney is employed

and by whom no compensation is, directly or indirectly, received for the services;

(10) any person or corporation engaged in the business of making collections from engaging or turning over to an attorney-at-law for the purpose of instituting and conducting suit or making proof of claim of a creditor in any case in which the attorney-at-law receives the entire compensation for the work;

(11) any regularly established farm journal or newspaper, devoted to general news, from publishing a department of legal questions and answers to them, made by a licensed attorney-at-law, if no answer is accompanied or at any time preceded or followed by any charge for it, any disclosure of any name of the maker of any answer, any recommendation of or reference to any one to furnish legal advice or services, or by any legal advice or service for the periodical or any one connected with it or suggested by it, directly or indirectly;

(12) any authorized management agent of an owner of rental property used for residential purposes, whether the management agent is a natural person, corporation, partnership, limited partnership, or any other business entity, from commencing, maintaining, conducting, or defending in its own behalf any action in any court in this state to recover or retain possession of the property, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal; and

(13) any person from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state pursuant to the provisions of section 566.175 or sections 566.18 to ~~566.33~~ 566.35 or from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state for the recovery of rental property used for residential purposes pursuant to the provisions of section 566.02 or 566.03, subdivision 1, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal, and provided that, except for a nonprofit corporation, a person who is not a licensed attorney-at-law shall not charge or collect a separate fee for services rendered pursuant to this clause.

Sec. 2. Minnesota Statutes 1990, section 504.02, is amended to read:

504.02 [CANCELLATION OF LEASES IN CERTAIN CASES;
ABANDONMENT OR SURRENDER OF POSSESSION.]

Subdivision 1. [ACTION TO RECOVER.] (a) In case of a lease of

real property, when the landlord has a subsisting right of reentry for the failure of the tenant to pay rent the landlord may bring an action to recover possession of the property and such action is equivalent to a demand for the rent and a reentry upon the property; but if, at any time before possession has been delivered to the plaintiff on recovery in the action, the lessee or a successor in interest as to the whole or any part of the property pays to the plaintiff or brings into court the amount of the rent then in arrears, with interest and costs of the action, and an attorney's fee not exceeding \$5, and performs the other covenants on the part of the lessee, the lessee or successor may be restored to the possession and hold the property according to the terms of the original lease.

(b) If the tenant has paid to the plaintiff or brought into court the amount of rent in arrears but is unable to pay the interest, costs of the action, and attorney's fee required by this subdivision, the court may permit the defendant to pay these amounts into court and be restored to possession within the same period of time, if any, which the court stays the issuance of the writ of restitution pursuant to section 566.09.

(c) Prior to or after commencement of an action to recover possession for nonpayment of rent, the parties may agree only in writing that partial payment of rent in arrears which is accepted by the landlord prior to issuance of the order granting restitution of the premises pursuant to section 566.09 may be applied to the balance due and does not waive the landlord's action to recover possession of the premises for nonpayment of rent.

(d) Rental payments under this subdivision must first be applied to rent claimed as due in the complaint from prior rental periods before applying any payment toward rent claimed in the complaint for the current rental period unless the court finds that under the circumstances the claim for rent from prior rental periods has been waived.

Subd. 2. [LEASE GREATER THAN 20 YEARS.] (a) If the lease under which the right of reentry is claimed is a lease for a term of more than 20 years, reentry cannot be made into the land or such action commenced by the landlord unless, after default, the landlord shall serve upon the tenant, also upon all creditors having a lien of record legal or equitable upon the leased premises or any part thereof, a written notice that the lease will be canceled and terminated unless the payment or payments in default shall be made and the covenants in default shall be performed within 30 days after the service of such notice, or within such greater period as the lessor shall specify in the notice, and if such default shall not be removed within the period specified within the notice, then the right of reentry shall be complete at the expiration of the period and may be exercised as provided by law. If any such lease shall provide that the landlord, after default, shall give more than 30 days' notice in

writing to the tenant of the landlord intention to terminate the tenancy by reason of default in terms thereof, then the length of the notice to terminate shall be the same as provided for and required by the lease.

(b) As to such leases for a term of more than 20 years, if at any time before the expiration of six months after possession obtained by the plaintiff by abandonment or surrender of possession by the tenant or on recovery in the action, the lessee or a successor in interest as to the whole or part of the property, or any creditor having a lien legal or equitable upon the leased premises or any part thereof, pays to the plaintiff, or brings into court, the amount of rent then in arrears, with interest and the costs of the action, and performs the other covenants on the part of the lessee, the lessee or successor may be restored to the possession and hold the property according to the terms of the original lease. The provisions of this section shall not apply to any action or proceeding now pending in any of the courts of this state.

Subd. 3. [JUDGMENT TO BE RECORDED.] Upon recovery of possession by the landlord in the action a certified copy of the judgment shall be recorded in the office of the county recorder of the county where the land is situated if unregistered land or in the office of the registrar of titles of such county if registered land and upon recovery of possession by the landlord by abandonment or surrender by the tenant an affidavit by the landlord or the landlord's attorney setting forth such fact shall be recorded in a like manner and such recorded certified copy of such judgment or such recorded affidavit shall be prima facie evidence of the facts stated therein in reference to the recovery of possession by such landlord.

Sec. 3. Minnesota Statutes 1990, section 504.185, subdivision 2, is amended to read:

Subd. 2. [PROCEDURE.] When a municipality, utility company, or other company supplying home heating oil, propane, natural gas, electricity, or water to a building has issued a final notice or has posted the building proposing to disconnect or discontinued the service to the building because an owner who has contracted for the service has failed to pay for it or because an owner is required by law or contract to pay for the service and fails to do so, a tenant or group of tenants may pay to have the service continued or reconnected as provided under this section. Before paying for the service, the tenant or group of tenants shall give oral or written notice to the owner of the tenant's intention to pay after 48 hours, or a shorter period that is reasonable under the circumstances, if the owner has not already paid for the service. In the case of oral notification, written notice shall be mailed or delivered to the owner within 24 hours after oral notice is given.

(a) In the case of natural gas, electricity, or water, if the owner has

not yet paid the bill by the time of the tenant's intended payment, or if the service remains discontinued, the tenant or tenants may pay the outstanding bill for the most recent billing period, if the utility company or municipality will restore the service for at least one billing period.

(b) In the case of home heating oil or propane, if the owner has not yet paid the bill by the time of the tenant's intended payment, or if the service remains discontinued, the tenant or tenants may order and pay for one month's supply of the proper grade and quality of oil or propane.

After submitting receipts for the payment to the owner, a tenant may deduct the amount of the tenant's payment from the rental payment next paid to the owner. Any amount paid to the municipality, utility company, or other company by a tenant under this subdivision is considered payment of rent to the owner for purposes of section 504.02.

Sec. 4. Minnesota Statutes 1990, section 504.20, subdivision 3, is amended to read:

Subd. 3. Every landlord shall, within three weeks after termination of the tenancy or within five days of the date when the tenant leaves the building or dwelling due to the legal condemnation of the building or dwelling in which the tenant lives for reasons not due to willful, malicious, or irresponsible conduct of the tenant, and receipt of the tenant's mailing address or delivery instructions, return the deposit to the tenant, with interest thereon as above provided, or furnish to the tenant a written statement showing the specific reason for the withholding of the deposit or any portion thereof. It shall be sufficient compliance with the time requirement of this subdivision if the deposit or written statement required by this subdivision is placed in the United States mail as first class mail, postage prepaid, in an envelope with a proper return address, correctly addressed according to the mailing address or delivery instructions furnished by the tenant, within the time required by this subdivision. The landlord may withhold from the deposit only amounts reasonably necessary:

(a) To remedy tenant defaults in the payment of rent or of other funds due to the landlord pursuant to an agreement; or

(b) To restore the premises to their condition at the commencement of the tenancy, ordinary wear and tear excepted.

In any action concerning the deposit, the burden of proving, by a fair preponderance of the evidence, the reason for withholding all or any portion of the deposit shall be on the landlord.

Sec. 5. Minnesota Statutes 1990, section 504.20, subdivision 4, is amended to read:

Subd. 4. Any landlord who fails to provide a written statement within three weeks of termination of the tenancy or within five days of the date when the tenant leaves the building or dwelling due to the legal condemnation of the building or dwelling in which the tenant lives for reasons not due to willful, malicious, or irresponsible conduct of the tenant, and receipt of the tenant's mailing address or delivery instructions, as required in subdivision 3, shall be liable to the tenant for damages in an amount equal to the portion of the deposit withheld by the landlord and interest thereon as provided in subdivision 2, as a penalty, in addition to the portion of the deposit wrongfully withheld by the landlord and interest thereon.

Sec. 6. [504.246] [TORT LIABILITY.]

A landlord is liable for damages for personal injury caused to a tenant, or others on the premises with the consent of the tenant, or a subtenant by a condition existing before or after the tenant took possession of the premises, which is a breach of an express covenant to repair or maintain the leased premises or is a breach of the covenants specified in section 504.18, subdivision 1, if:

(1) the condition created an unreasonable risk on the premises which performance of the landlord's covenants would have prevented;

(2) the landlord knew of the condition; and

(3) the landlord failed to perform the covenants.

The provisions of this section do not limit any rights or remedies a tenant otherwise has under another statute or in contract or tort at common law.

Sec. 7. Minnesota Statutes 1990, section 504.27, is amended to read:

504.27 [REMEDIES ARE ADDITIONAL.]

The remedies provided in sections 504.24 to 504.26 are in addition to and shall not limit other rights or remedies available to landlords and tenants. Any provision, whether oral or written, of any lease or other agreement, whereby any provision of sections 504.24 to 504.27 is waived by a tenant is contrary to public policy and void. The provisions of sections 504.24 to 504.27 shall apply only to tenants as that term is defined in section 566.18, subdivision 2, and buildings as that term is defined in section 566.18, subdivision 7. The provisions of sections 504.24, 504.25, 504.255, and 504.26 apply to

occupants and owners of residential real property which is the subject of a mortgage foreclosure or contract for deed cancellation and as to which the period for redemption or reinstatement of the contract has expired.

ARTICLE 2

UNLAWFUL DETAINER

Section 1. Minnesota Statutes 1990, section 566.03, subdivision 1, is amended to read:

Subdivision 1. The person entitled to the premises may recover possession in the manner provided in this section when:

(1) any person holds over lands or tenements after a sale thereof on an execution or judgment, or on foreclosure of a mortgage, and expiration of the time for redemption, or after termination of contract to convey the same, provided that if the person holding such lands or tenements after the sale, ~~foreclosure expiration of the time for redemption,~~ or termination is a tenant, the person has received:

(i) at least one month's written notice of the termination of tenancy as a result of to vacate no sooner than one month after the sale, ~~foreclosure expiration of the time for redemption,~~ or termination; or when

(ii) at least one month's written notice to vacate no later than the date of the sale, expiration of the time for redemption, or termination which notice shall also state that the sender will hold the tenant harmless from any damages caused to the tenant if no sale occurs, the mortgage is redeemed, or the contract is reinstated;

(2) any person holds over lands or tenements after termination of the time for which they are demised or let to that person or to the persons under whom that person holds possession, or contrary to the conditions or covenants of the lease or agreement under which that person holds, or after any rent becomes due according to the terms of such lease or agreement; or ~~when~~

(3) any tenant at will holds over after the determination of any ~~such~~ the estate by notice to quit; ~~in all such cases the person entitled to the premises may recover possession thereof in the manner hereinafter provided.~~

Sec. 2. Minnesota Statutes 1990, section 566.17, is amended by adding a subdivision to read:

Subd. 2a. In the second and fourth judicial districts, the housing calendar consolidation project shall retain jurisdiction in matters

relating to removal of property under this section. If the plaintiff refuses to return the property after proper demand is made as provided in section 504.24, the court shall enter an order requiring the plaintiff to return the property to the defendant and awarding reasonable expenses including attorney fees to the defendant.

Sec. 3. Minnesota Statutes 1990, section 566.175, subdivision 6, is amended to read:

Subd. 6. The provisions of This section shall apply only applies to:

(1) tenants as that term is defined in section 566.18, subdivision 2, and including occupants and owners of residential real property which is the subject of a mortgage foreclosure or contract for deed cancellation and as to which the period for redemption or reinstatement of the contract has expired;

(2) buildings as that term is defined in section 566.18, subdivision 7; and

(3) landlords as the term "owner" is defined in section 566.18, subdivision 3, but also including mortgagees and contract for deed vendors.

Sec. 4. Minnesota Statutes 1990, section 566.18, subdivision 9, is amended to read:

Subd. 9. [NEIGHBORHOOD ORGANIZATION.] "Neighborhood organization" means a nonprofit corporation incorporated under chapter 317A that satisfies clauses (1) and (2).

The corporation shall:

(1) designate in its articles of incorporation or bylaws a specific geographic community to which its activities are limited; and

(2) be formed for the purposes of promoting community safety, crime prevention, and housing quality in a nondiscriminatory manner.

For purposes of this chapter, an action taken by a neighborhood organization with the written permission of a tenant means, with respect to a building with multiple dwelling units, an action taken by the neighborhood organization with the written permission of the tenants of a majority of the occupied units.

Sec. 5. Minnesota Statutes 1990, section 566.19, subdivision 2, is amended to read:

Subd. 2. After an inspection of a building has been made upon demand by a tenant or neighborhood organization with the written permission of a tenant, the owner or the owner's agent and the complaining tenant or neighborhood organization shall be informed in writing by the inspector of any code violations discovered and a reasonable period of time shall be allowed in which to correct the violations. If any code violations are discovered in the common areas of the building and the owner fails to correct them within the time allowed, the inspector shall, in addition, provide written notice of such violations to all tenants in the building. Any such notice provided by the inspector shall state that if the violations are not corrected any tenant, neighborhood organization with the written permission of a tenant, or if the building is unoccupied, a neighborhood organization, may commence an action under sections 566.18 to 566.33 to correct the violations and shall also state the relief available under section 566.25.

Sec. 6. Minnesota Statutes 1990, section 566.205, subdivision 1, is amended to read:

Subdivision 1. [PETITION.] A person authorized to bring an action under section 566.20 may petition the court for relief in cases of condemnation of the building or dwelling or service of a notice of intent to condemn the building or dwelling, or emergency involving the loss of running water, hot water, heat, electricity, sanitary facilities, or other essential services or facilities that the owner is responsible for providing.

Sec. 7. Minnesota Statutes 1990, section 566.205, subdivision 3, is amended to read:

Subd. 3. [PETITION INFORMATION.] The petitioner shall present a verified petition to the district court that states the following:

- (1) a description of the premises and the identity of the owner;
- (2) a statement of the facts and grounds that demonstrate the existence of condemnation of the building or dwelling or service of notice of intent to condemn the building or dwelling, or an emergency caused by the loss of essential services or facilities; and
- (3) a request for relief.

Sec. 8. Minnesota Statutes 1990, section 566.205, subdivision 4, is amended to read:

Subd. 4. [NOTICE.] The petitioner shall attempt to notify the owner, at least 24 hours before application to the court, of the petitioner's intent to seek emergency relief. The petitioner shall

attempt to give the same notice to the applicable unit of government if relief from condemnation is sought under section 566.25, paragraph (f). An order may be granted without notice to the owner or applicable unit of government on finding that reasonable efforts, as set forth in the petition or by separate affidavit, were made to notify the owner but that the efforts were unsuccessful.

Sec. 9. Minnesota Statutes 1990, section 566.21, subdivision 2, is amended to read:

Subd. 2. The summons and complaint shall be served upon the owner or the owner's agent, and upon the applicable unit of government if relief from condemnation is sought under section 566.25, paragraph (f), at least five and not more than ten days before the time at which the complaint is to be heard. Service shall be by personal service upon the defendant pursuant to the Minnesota rules of civil procedure except that if such service cannot be made with due diligence, service may be made by affixing a copy of the summons and complaint prominently to the building involved, and mailing at the same time a copy of the summons and complaint by certified mail to the last known address of the defendant.

Sec. 10. Minnesota Statutes 1990, section 566.25, is amended to read:

566.25 [JUDGMENT.]

Upon finding the complaint proved, the court may, in its discretion, do any or all of the following, either alone or in combination:

(a) Order the owner to remedy the violation or violations found by the court to exist if the court is satisfied that corrective action will be undertaken promptly; or

(b) Order the tenant to remedy the violation or violations found by the court to exist and deduct the cost from the rent subject to the terms as the court determines to be just; or

(c) Appoint an administrator with powers as set out in section 566.29, and

(1) direct that rents due:

(i) on and from the day of entry of judgment, in the case of petitioning tenants or neighborhood organizations, and

(ii) on and from the day of service of the judgment on all other tenants and commercial tenants of the building, if any, shall be deposited with the administrator appointed by the court, and

(2) direct that the administrator use the rents collected for the purpose of remedying the violations found to exist by the court paying the debt service, taxes and insurance, and providing the services necessary to the ordinary operation and maintenance of the building which the owner is obligated to provide but fails or refuses to provide; or

(d) Find the extent to which any uncorrected violations impair the tenants' use and enjoyment of the premises contracted for and order the rent abated accordingly. Should the court choose to enter judgment under this paragraph the parties shall be informed and the court shall find the amount by which the rent shall be abated;

(e) After termination of administration, continue the jurisdiction of the court over the building for a period of one year and order the owner to maintain the building in compliance with all applicable state, county, and city health, safety, housing, building, fire prevention, and housing maintenance codes; ~~and~~

(f) Order the applicable unit of government to stay condemnation of the building or dwelling if other relief ordered by the court will correct the violations giving rise to the condemnation or notice of intent to condemn within a reasonable time considering the nature and extent of the violations; or

(g) Grant any other relief the court deems just and proper, including a judgment against the owner for reasonable attorney fees, not to exceed \$500, in the case of a prevailing tenant or neighborhood organization. The \$500 limitation does not apply to awards made under section 549.21 or other specific statutory authority.

Sec. 11. Minnesota Statutes 1990, section 566.29, subdivision 2, is amended to read:

Subd. 2. Such person or neighborhood organization shall post bond to the extent of the rents expected by the court to be necessary to be collected to correct the violation or violations. Administrators appointed from the governmental agencies shall not be required to give bond.

Sec. 12. Minnesota Statutes 1990, section 566.29, subdivision 4, is amended to read:

Subd. 4. [POWERS.] The administrator is authorized to:

(a) Collect rents from tenants and commercial tenants, evict tenants and commercial tenants for nonpayment of rent or other cause, enter into leases for vacant dwelling units, rent vacant commercial units with the consent of the owner and exercise all

other powers necessary and appropriate to carry out the purposes of Laws 1973, chapter 611;

(b) Contract for the reasonable cost of materials, labor and services necessary to remedy the violation or violations found by the court to exist and for the rehabilitation of the property in order to maintain safe and habitable conditions over the useful life of the property, and make disbursements for payment therefor from funds available for the purpose;

(c) Provide any services to the tenants which the owner is obligated to provide but refuses or fails to provide, and pay for them from funds available for the purpose;

(d) Petition the court, after notice to the parties, for an order allowing the administrator to encumber the ~~premise~~ premises to secure funds to the extent necessary to cover the cost of materials, labor, and services, including reasonable fees for the administrator's services, necessary to remedy the violation or violations found by the court to exist and for rehabilitation of the property in order to maintain safe and habitable conditions over the useful life of the property, and to pay for them from funds derived from the encumbrance; and

(e) Petition the court, after notice to the parties, for an order allowing the administrator to receive funds made available for this purpose by the federal or state governing body or the municipality to the extent necessary to cover the cost of materials, labor, and services necessary to remedy the violation or violations found by the court to exist and for rehabilitation of the property in order to maintain safe and habitable conditions over the useful life of the property, and pay for them from funds derived from ~~the municipal sources~~ this source. The municipality shall recover disbursements by special assessment on the real estate affected, bearing interest at the rate determined by the municipality, not exceeding the rate established for finance charges for open-end credit sales under section 334.16, subdivision 1, clause (b), with the assessment, interest and any penalties to be collected the same as special assessments made for other purposes under state statute or municipal charter.

Sec. 13. Minnesota Statutes 1990, section 566.34, subdivision 2, is amended to read:

Subd. 2. [ESCROW OF RENT.] If a violation exists in a building, a tenant may deposit the amount of rent due to the owner with the court administrator using the following procedure:

(a) For a violation of section 566.18, subdivision 6, clause (a), the tenant may deposit with the court administrator the rent due the owner along with a copy of the written notice of the code violation as

provided in section 566.19, subdivision 2. The tenant may not deposit the rent or file the written notice of the code violation until the time granted to make repairs has expired without satisfactory repairs being made, unless the tenant alleges that the time granted is excessive.

(b) For a violation of section 566.18, subdivision 6, clause (b) or (c), the tenant must give written notice to the owner specifying the violation. The notice must be delivered personally or sent to the person or place where rent is normally paid. If the violation is not corrected within 14 days, the tenant may deposit the amount of rent due to the owner with the court administrator along with an affidavit specifying the violation. The court must provide a simplified form affidavit for use under this clause.

(c) The tenant need not deposit rent if none is due to the owner at the time the tenant otherwise files the notice required by this subdivision. All rent which thereafter becomes due to the owner prior to the hearing under this section must be deposited with the court administrator. As long as proceedings are pending under this section, the tenant must pay rent to the owner or as directed by the court and may not withhold rent to remedy a violation.

Sec. 14. [609.606] [UNLAWFUL OUSTER OR EXCLUSION.]

A landlord, agent of the landlord, or person acting under the landlord's direction or control who unlawfully and intentionally removes or excludes a tenant from lands or tenements or intentionally interrupts or causes the interruption of electrical, heat, gas, or water services to the tenant with intent to unlawfully remove or exclude the tenant from lands or tenements is guilty of a misdemeanor.

Sec. 15. [FEE STUDY.]

The state court administrator shall study and report to the legislature by February 1, 1993, on the fiscal and caseflow impact of court fee and fee refund alternatives designed to facilitate the retention of affordable housing by low-income clients while protecting the rights of landlords. In conducting this study, the state court administrator shall consult with representatives of courts, landlords, and tenants who might be affected by any proposed change in collection or fee refunds.

ARTICLE 3

STATE HOUSING PROGRAMS

Section 1. Minnesota Statutes 1990, section 116C.04, is amended by adding a subdivision to read:

Subd. 11. The environmental quality board shall coordinate the implementation of an interagency compliance with existing state and federal lead regulations and report to the legislature by January 31, 1992, on the changes in programming needed to comply.

Sec. 2. [116K.15] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of sections 2 to 8, the following terms have the meanings given them.

Subd. 2. [ADVISORY COMMITTEE.] "Advisory committee" means the committee established in section 4.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of the state planning agency.

Subd. 4. [ELIGIBLE ORGANIZATION.] "Eligible organization" means a nonprofit organization run by or for the homeless that has representation by homeless or formerly homeless persons on its governing board and can demonstrate an ability to design a program to provide homeownership opportunities for homeless persons with education and training services for homeless adults.

Subd. 5. [HOMELESS INDIVIDUAL; HOMELESS PERSON.] "Homeless individual" or "homeless person" is defined in the Stewart B. McKinney Homeless Assistance Act of 1987, and means:

- (1) residents of overnight shelters;
- (2) residents of battered women shelters and safe homes;
- (3) persons who are inappropriately doubled up;
- (4) migrant or seasonal farm workers;
- (5) persons residing in transitional housing;
- (6) persons residing in detoxification centers who do not have permanent addresses; and
- (7) persons residing outside, in cars, or in abandoned buildings.

The term homeless individual does not include any individual imprisoned or otherwise detained under federal or state law.

Subd. 6. [VERY LOW INCOME.] "Very low income" means incomes that are at or less than 50 percent of the median income for the seven-county metropolitan area.

Sec. 3. [116K.16] [PLANNING AND DEMONSTRATION GRANTS.]

The commissioner shall make planning and demonstration grants to eligible organizations for programs to provide homeownership opportunities, education and training, or services to homeless adults. The programs are to include a work experience component with work projects that result in the rehabilitation or construction of residential units for the homeless. To the extent possible, the program should coordinate the use of resources from existing housing and homeless programs. Two or more eligible organizations may jointly apply for a grant. The commissioner shall administer the grant program.

Interested eligible organizations must apply to the commissioner for the grants. The advisory committee must review the applications and provide to the commissioner a list of recommended eligible organizations that the advisory committee determines meet the requirements for receiving a grant.

Sec. 4. [116K.17] [ADVISORY COMMITTEE.]

The commissioner may establish an 11-member advisory committee under section 15.059 to assist the commissioner in selecting eligible organizations to receive planning grants, evaluating the final reports of each organization, and providing recommendations to the legislature. Members of the committee may be reimbursed for expenses but may not receive any other compensation for service on the committee. The advisory committee consists of representatives of the commissioners of human services and jobs and training; a representative of the chancellor of vocational education; a representative of the commissioner of the housing finance agency; and seven public members appointed by the governor. Each of the following groups must be represented by a public member: labor organizations, local housing developers, representatives from homeless organizations, and homeless or formerly homeless persons. At least three of the public members must be from outside of the seven-county metropolitan area as defined in section 473.121, subdivision 2. The commissioner may provide staff to the advisory committee to assist it in carrying out its purpose.

Sec. 5. [116K.18] [PROGRAM; PURPOSE AND DESIGN.]

Subdivision 1. [PROGRAM PURPOSE.] The grants awarded under section 3 are for the design of a program to coordinate existing housing resources and programs to provide homeownership opportunities for homeless adults and families, promote individual stability and responsibility of homeless adults through training for jobs that pay a living wage, job placement, life skills development, and access to community support services including, but not limited to, health services, counseling, and drug rehabilitation. Each program

must include a work experience and training component, job skills component, and life skills component.

Subd. 2. [WORK EXPERIENCE AND TRAINING COMPONENT.] A work experience and training component must provide vocational skill training in an industry where there are potential opportunities for jobs that pay a living wage. A monetary compensation may be provided to program participants. The compensation must be provided to participants who are recipients of public assistance in a manner or amount which will not reduce public assistance benefits. The work experience component must be designed so that work projects result in the expansion of residential units for homeless persons and very low-income individuals and families. Work must be done under the direct supervision of certified or licensed individuals skilled in each specific trade or vocation. Craft work must be done under the supervision of persons who have completed a state approved registered apprenticeship in the craft work being supervised. The program design must identify areas of need for trained workers to perform tasks such as lead abatement, and work with appropriate agencies and certified or licensed workers to develop training methods. The program design must include an examination of how program participants may achieve certification as a part of the work experience and training component by entering licensing, apprenticeship, or other educational programs.

Subd. 3. [JOB READINESS SKILLS COMPONENT.] A job readiness skills component must be included in each program design. The component must provide program participants with job search skills, placement assistance, and other job readiness skills to ensure that participants will be able to compete in the employment market.

Subd. 4. [LIFE SKILLS COMPONENT.] A life skills component must be included in each program design. The component must include mentoring to develop homeownership skills, and offer or coordinate participation in parenting and citizenship classes and leadership development to encourage community involvement and responsibility.

Sec. 6. [116K.19] [HOUSING FOR HOMELESS.]

Subdivision 1. [REQUIREMENT.] The work experience component in section 5 must include work projects that provide residential units through construction or rehabilitation for the homeless and families of very low income.

Subd. 2. [PRIORITY FOR HOUSING.] Any residential units that become available through the employment and training program must be allocated in the following order:

- (1) homeless families with at least one dependent;

- (2) homeless persons who have worked on the rehabilitation;
- (3) other homeless individuals;
- (4) other very low-income families and individuals; and
- (5) families or individuals that receive public assistance and that do not qualify in any other priority group.

Subd. 3. [ACQUISITION OF HOUSING UNITS.] The program design must include an examination of the means of acquiring property or buildings for the construction or rehabilitation of residential units at the lowest possible cost. The examination must include the review of possible sources of property and funding through federal, state, or local agencies, including the federal Department of Housing and Urban Development and Farmers Home Administration, the housing finance agency, and the local housing authority.

Subd. 4. [MANAGEMENT OF RESIDENTIAL UNITS.] The program design must address how to manage these residential units, including the source of financing for the maintenance costs of the buildings. Any management plan must include the participation of the residents and local established neighborhood groups.

Sec. 7. [REQUIREMENTS OF ORGANIZATIONS RECEIVING GRANTS.] An organization that is awarded a planning grant under section 3 shall prepare and submit a report to the commissioner by January 15, 1992. The report must address each of the following:

(1) the method for encouraging the participation of the targeted youth in the geographic area surrounding the organization receiving the grant;

(2) the type and degree of work experience that program participants must participate in, including real work experience in both vocational and nonvocational settings;

(3) the amount of monetary compensation that each participant should receive while participating in the work experience component. The monetary compensation must reflect the prevailing rate of wages unless a participant's receipt of public assistance is affected. Any contracted or subcontracted work must be subject to the prevailing wage rate under section 177.42. Prevailing wage for the construction crafts is the amount registered with the Minnesota department of labor. Nonconstruction jobs will be paid at the local market standard for each job type. Compensation should be structured to include incentives for progress toward increasing job skills and continued training;

(4) the identification and means of providing the necessary job readiness skills so that program participants who have completed the work experience and educational components of the program may have the ability to compete in the employment market;

(5) the methods that may be used to assist in placing program participants in suitable employment;

(6) a plan for evaluating the program, including the necessary data elements that must be collected from program participants;

(7) the identification of existing public and private programs that may be coordinated by the program to avoid duplication of services;

(8) the identification of regional characteristics that may affect the operation of the program in the specified region where the organization is located;

(9) cost estimates for each of the components of the program; and

(10) the identification of funding sources other than state appropriations that may be used to support the program.

Sec. 8. [REPORT.]

The commissioner shall prepare and submit a report to the legislature and the governor by February 15, 1992, that outlines the various program designs submitted by the organizations that received planning grants. The report must also include recommendations on which components of the program design are most suitable to meeting the needs of homeless adults for homeownership opportunities. The advisory committee must participate in the preparation of this report and in the formulation of the recommendations.

Sec. 9. Minnesota Statutes 1990, section 144.871, subdivision 2, is amended to read:

Subd. 2. [ABATEMENT.] "Abatement" means removal or encapsulation of paint, bare soil, dust, drinking water, or other materials that are sources readily accessible and pose an immediate threat of actual lead exposure to people. The abatement rules to be adopted under section 144.878, subdivision 2, shall apply as described in section 144.874.

Sec. 10. Minnesota Statutes 1990, section 144.871, subdivision 7, is amended to read:

Subd. 7. [ENCAPSULATION.] "Encapsulation" means covering, sealing, painting, resurfacing to make smooth before repainting, or containment of a source of lead exposure to people.

Sec. 11. [144.8721] [LEAD-RELATED CONTRACTS FOR FISCAL YEARS 1992 AND 1993.]

For fiscal years 1992 and 1993, the commissioner shall conduct, or contract with boards of health to conduct, assessments to determine sources of lead contamination in the residences of children and pregnant women whose blood levels exceed ten micrograms per deciliter. For fiscal years 1992 and 1993, the commissioner shall also provide, or contract with boards of health to provide, education on ways of reducing the danger of lead contamination.

Sec. 12. Minnesota Statutes 1990, section 144.873, subdivision 1, is amended to read:

Subdivision 1. [REPORT REQUIRED.] Medical laboratories performing blood lead analyses must report to the commissioner confirmed blood lead results of at least five micrograms per deciliter. Boards of health must report to the commissioner the results of analyses from residential samples of paint, bare soil, dust, and drinking water that show lead in concentrations greater than or equal to the lead standards adopted by permanent rule under section 144.878, ~~subdivision 2, paragraphs (a) and (e)~~. The commissioner shall require other related information from medical laboratories and boards of health as may be needed to monitor and evaluate blood lead levels in the public, including the date of the test and the address of the patient.

Sec. 13. Minnesota Statutes 1990, section 144.874, subdivision 1, is amended to read:

Subdivision 1. [RESIDENCE ASSESSMENT.] (a) A board of health must conduct a timely assessment of a residence to determine sources of lead exposure if:

(1) a pregnant woman in the residence is identified as having a blood lead level of at least ten micrograms of lead per deciliter of whole blood; or

(2) a child in the residence is identified as having an elevated blood lead level. If a child regularly spends several hours per day at another residence, such as a residential child care facility, the board of health must also assess the other residence.

(b) The board of health must conduct the residential assessment according to rules adopted by the commissioner according to section 144.878, ~~subdivision 1~~.

Sec. 14. Minnesota Statutes 1990, section 144.874, subdivision 2, is amended to read:

Subd. 2. [RESIDENTIAL LEAD ASSESSMENT GUIDE.] (a) The commissioner of health shall develop or purchase a residential lead assessment guide that enables parents to assess the possible lead sources present and that suggests actions.

(b) A board of health must provide the residential lead assessment guide to:

(1) parents of children who are identified as having blood lead levels of at least ten micrograms per deciliter; and

(2) property owners and occupants who are issued housing code orders requiring disruption of lead sources.

(c) A board of health must provide the residential lead assessment guide on request to owners or tenants of residential property within the jurisdiction of the board of health.

Sec. 15. Minnesota Statutes 1990, section 144.874, subdivision 3, is amended to read:

Subd. 3. [ABATEMENT ORDERS.] A board of health must order a property owner to perform abatement on a lead source that exceeds a standard adopted according to section 144.878; ~~subdivision 2, paragraph (a),~~ at the residence of a child with an elevated blood lead level or a pregnant woman with a blood lead level of at least ten micrograms per deciliter. Abatement orders must require that any source of damage, such as leaking roofs, plumbing, and windows, must be repaired or replaced, as needed, to prevent damage to lead-containing interior surfaces. With each abatement order, the board of health must provide a residential lead abatement guide. The guide must be developed or purchased by the commissioner and must provide information on safe abatement and disposal methods, sources of equipment, and telephone numbers for additional information to enable the property owner to either perform the abatement or to intelligently select an abatement contractor.

Sec. 16. Minnesota Statutes 1990, section 144.874, is amended by adding a subdivision to read:

Subd. 8. [AUTHORITY OF COMMISSIONER.] The commissioner may carry out the duties assigned to boards of health in subdivisions 1 to 6 of this section.

Sec. 17. Minnesota Statutes 1990, section 144.874, is amended by adding a subdivision to read:

Subd. 9. [PRIMARY PREVENTION.] Although children who are found to already have elevated blood lead levels must have the highest priority for intervention, the commissioner shall pursue

primary prevention of lead poisoning within the limits of appropriations.

Sec. 18. Minnesota Statutes 1990, section 144.874, is amended by adding a subdivision to read:

Subd. 10. [REGISTERED CONTRACTORS.] State subsidized lead abatement shall be conducted by registered lead abatement contractors.

Sec. 19. Minnesota Statutes 1990, section 144.874, is amended by adding a subdivision to read:

Subd. 11. [VOLUNTARY ABATEMENT.] The commissioner shall enforce the rules under section 144.878 in cases of voluntary lead abatement.

Sec. 20. [268.44] [EMERGENCY MORTGAGE AND RENTAL ASSISTANCE PILOT PROJECT.]

Subdivision 1. [ADMINISTRATION.] The commissioner of jobs and training shall administer an emergency mortgage and rental assistance pilot project for individuals who are in danger of losing their housing as a result of having insufficient income to allow payment of their rental or mortgage costs. "Eligible project participants" are individuals ineligible for emergency assistance or general assistance for housing whose income does not exceed 80 percent of the area median income at the time of application to the project. No individual or family may receive more than six months of rental or mortgage assistance or \$2,000, whichever is less. The commissioner of jobs and training may establish eligibility priorities for emergency rental or mortgage assistance among the categories of persons needing assistance, including persons subject to eviction for nonpayment of rent or foreclosure for nonpayment of mortgage installments or property taxes, when nonpayment is attributable to illness, unanticipated unemployment, underemployment, or any other failure of resources beyond the person's control.

Subd. 2. [LOCAL RESPONSIBILITIES.] The commissioner of jobs and training must disburse funds to local agencies responsible for the distribution of emergency assistance. The local agencies may distribute funds to landlords and mortgage holders of eligible project participants and may determine the amount of assistance on a case-by-case basis. Local agencies must provide program participants with case management services, referral services relating to housing, and other resources and programs that may be available to them.

Subd. 3. [MORTGAGE ASSISTANCE.] Eligible homeowners at risk of losing their housing as a result of a short-term disruption or

decrease in income may receive monthly mortgage or mortgage arrears assistance interest-free loans. To qualify for assistance, a homeowner must be at least two months delinquent on home mortgage payments. The local distributing agency must determine repayment schedules on a case-by-case basis. If the homeowner sells the house within five years of receiving assistance, net proceeds from the sale must be applied to the mortgage assistance loan. The commissioner of jobs and training must inform mortgagees of the mortgage assistance project.

Subd. 4. [RENTAL ASSISTANCE.] Eligible applicants who are in danger of losing their housing may receive monthly rental or rental arrears assistance payments. Monthly rental assistance payments may not exceed the fair market value of the rental housing unit. Persons may be required to repay the rental assistance based on their financial ability to pay, as determined by the local distributing agency.

Subd. 5. [SECURITY DEPOSIT ASSISTANCE.] Project money may be used for security deposits on rental housing. Persons may be required to repay security deposit assistance based on their financial ability to pay, as determined by the local distributing agency.

Sec. 21. Minnesota Statutes 1990, section 462A.05, is amended by adding a subdivision to read:

Subd. 15c. [RESIDENTIAL LEAD ABATEMENT.] It may make or purchase loans or grants for the abatement of hazardous levels of lead paint in residential buildings and lead contaminated soil on the property of residential buildings occupied by low- and moderate-income persons. Hazardous levels are as determined by the department of health or the pollution control agency. The agency must establish grant criteria for a residential lead paint and lead contaminated soil abatement program, including the terms of loans and grants under this section, a maximum amount for loans or grants, eligible owners, eligible contractors, and eligible buildings. The agency may make grants to cities, local units of government, registered lead abatement contractors, and nonprofit organizations for the purpose of administering a residential lead paint and contaminated lead soil abatement program. No loan or grant may be made for lead paint abatement for a multifamily building which contains substantial housing maintenance code violations unless the violations are being corrected in conjunction with receipt of the loan or grant under this section. The agency must establish standards for the relocation of families where necessary and the payment of relocation expenses. To the extent possible, the agency must coordinate loans and grants under this section with existing housing programs.

The agency, in consultation with the department of health, shall report to the legislature by January 1993 on the costs and benefits

of subsidized lead abatement and the extent of the childhood lead exposure problem. The agency shall review the effectiveness of its existing loan and grant programs in providing funds for residential lead abatement and report to the legislature with examples, case studies and recommendations.

Sec. 22. Minnesota Statutes 1990, section 462A.21, is amended by adding a subdivision to read:

Subd. 16. [RESIDENTIAL LEAD PAINT AND LEAD CONTAMINATED SOIL ABATEMENT.] It may make loans or grants for the purpose of the abatement of hazardous levels of lead paint in residential buildings and lead contaminated soil under section 462A.05, subdivision 15c, and may pay the costs and expenses necessary and incidental to the development and operation of the program.

Sec. 23. Minnesota Statutes 1990, section 504.33, subdivision 3, is amended to read:

Subd. 3. [DISPLACE.] "Displace" means to demolish, acquire for or convert to a use other than low-income housing, or to provide or spend money that directly results in the demolition, acquisition, or conversion of housing to a use other than low-income housing.

"Displace" does not include providing or spending money that directly results in: (i) housing improvements made to comply with health, housing, building, fire prevention, housing maintenance, or energy codes or standards of the applicable government unit; (ii) housing improvements to make housing more accessible to a handicapped person; ~~or~~ (iii) the demolition, acquisition, or conversion of housing for the purpose of creating owner-occupied housing that consists of no more than four units per structure; or (iv) demolition, acquisition, or conversion of owner-occupied housing by cities of the first class as defined in section 410.01.

Sec. 24. Minnesota Statutes 1990, section 504.33, subdivision 5, is amended to read:

Subd. 5. [LOW-INCOME HOUSING.] "Low-income housing" means rental housing with a rent less than or equal to ~~30 percent of 50 percent of the median income for the county~~ the fair market rent level as defined by the Department of Housing and Urban Development in which the rental housing is located, adjusted by size; or owner-occupied housing with an estimated market value less than one-half of the median estimated market value for owner-occupied housing for the county or metropolitan statistical area in which the owner-occupied housing is located. "Low-income housing" also includes ~~rental housing buildings as defined by section 566.18, subdivision 7, that has have been vacant for less than two years, that contain rental or owner-occupied housing that was low-income~~

housing when it was last occupied, and that ~~is~~ have not been condemned as being unfit for human habitation by the applicable government unit.

Sec. 25. Minnesota Statutes 1990, section 504.33, subdivision 7, is amended to read:

Subd. 7. [REPLACEMENT HOUSING.] "Replacement housing" means ~~rental~~ housing that is:

(1) ~~the lesser of (i) the is sufficient in number and corresponding size of to house no fewer than the number of occupants who could have been housed in the displaced low-income housing units displaced, or (ii) sufficient in number and corresponding size of those low-income housing units displaced to meet the demand for those units;~~

(2) is low-income housing for the greater of 15 years or the compliance period of the federal low-income housing tax credit under United States Code, title 26, section 42(i)(1), as amended. This section does not prohibit increases in rent to cover operating expenses;

(3) in the case of owner-occupied housing, affordable to persons whose income is less than or equal to 80 percent of the median income for the metropolitan statistical area in which the replacement owner-occupied housing is located;

(4) is in at least standard condition; and

~~(4) (5) is located in the neighborhood of the city where the displaced low-income housing units were located to the extent possible, except where the land is zoned industrial or there is insufficient vacant or underutilized land for development or no vacant buildings as defined by section 566.18, subdivision 7, for redevelopment in the neighborhood;~~

(6) has a preference for persons who occupied low-income housing that was displaced, who have resided in the neighborhood of the city where the displaced low-income housing was located, or who qualify for a preference under United States Code, title 42, section 1437(c)(4)(A); and

(7) in a city of the first class outside the metropolitan area as defined by section 473.121, subdivision 2, replacement housing can be used to achieve economic integration as described in the city plan.

Replacement housing may be provided as newly constructed housing, or rehabilitated or rent subsidized existing housing that

does not already qualify as low-income housing. Low-income housing designated as replacement housing for low-income housing displaced in one year cannot be designated as replacement housing for low-income housing displaced in another year.

Sec. 26. Minnesota Statutes 1990, section 504.34, subdivision 3, is amended to read:

Subd. 3. [CONTENTS.] The draft and final annual housing impact reports must include:

(1) identification of each low-income housing unit that was displaced in the previous year in the city where housing was displaced by the government unit, including the unit's address, size, and rent; the number of persons who could have occupied the unit; the condition the unit was in, and whether it was habitable at the time of displacement; the owner of the unit; whether it was owner occupied; and how and when it was displaced;

(2) identification of the cities and neighborhoods where occupants of displaced low-income housing moved immediately following displacement;

(3) identification of each unit of replacement housing provided in the previous year in the city, including the unit's address, size, and rent; the number of persons who could occupy the unit; the owner of the unit; whether it is owner occupied; and an identification of the displaced low-income housing unit that was replaced by the unit of replacement housing;

(3) (4) identification of the cities and neighborhoods where occupants of replacement housing resided immediately before moving into replacement housing;

(5) analysis of the supply of and demand for all sizes of low-income housing units, by size and rent, in the city;

(4) (6) determination of whether there is an adequate supply of available and unoccupied low-income housing units to meet the demand for all sizes of low-income housing, by size and rent, in the city where housing has been displaced by the government unit;

(5) (7) estimation of the cost of providing replacement housing for low-income housing not in adequate supply to meet the demand for all sizes of low-income housing, by size and rent, in the city where housing has been displaced by the government unit; and

(6) (8) analysis of the government unit's compliance with the replacement plans of previous housing annual impact reports and project housing impact statements.

Sec. 27. Minnesota Statutes 1990, 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, a summary of the findings of the report, and the list of persons and organizations receiving the notice and draft report must be sent to the 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. 28. Minnesota Statutes 1990, 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 final annual housing impact report must include all written comments and a summary of oral comments on the draft housing impact report and a response to the comments. 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 and a summary of the findings of the final annual housing impact report 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.

ARTICLE 4

YOUTH EMPLOYMENT

Section 1. Minnesota Statutes 1990, section 268.362, is amended to read:

268.362 [GRANTS.]

Subdivision 1. [GENERALLY.] The commissioner shall make grants to eligible organizations for programs to provide education and training services to targeted youth. The purpose of these programs is to provide specialized training and work experience to at-risk targeted youth who have not been served effectively by the current educational system. The programs are to include a work experience component with work projects that result in the rehabilitation or construction of residential units for the homeless. Two or more eligible organizations may jointly apply for a grant. The commissioner shall administer the grant program.

Subd. 2. [GRANT APPLICATIONS; AWARDS.] Interested eligible organizations must apply to the commissioner for the grants. The advisory committee must review the applications and provide to the commissioner a list of recommended eligible organizations that the advisory committee determines meet the requirements for receiving a grant. The total grant award for any program may not exceed \$50,000 per year. In awarding grants, the commissioner must give priority to (1) organizations that are operating or have operated successfully a program; and (2) to distributing programs throughout the state. To receive a grant under this section, the eligible organization must match the grant money with at least an equal amount of nonstate money. The commissioner must verify that the eligible organization has matched the grant money.

Sec. 2. Minnesota Statutes 1990, section 268.364, subdivision 4, is amended to read:

Subd. 4. [JOB READINESS SKILLS COMPONENT.] A job readiness skills component must be ~~included in~~ comprise at least 20 percent of each program. The component must provide program participants with job search skills, placement assistance, and other job readiness skills to ensure that participants will have an understanding of the building trades, unions, self-employment, and other employment opportunities and be able to compete in the employment market.

Sec. 3. Minnesota Statutes 1990, section 268.365, subdivision 2, is amended to read:

Subd. 2. [PRIORITY FOR HOUSING.] Any residential units that become available through the program must be allocated in the following order:

(1) homeless individuals who have participated in constructing, rehabilitating, or improving the unit;

(2) homeless families with at least one dependent;

(2) (3) other homeless individuals;

(3) (4) other very low income families and individuals; and

(4) (5) families or individuals that receive public assistance and that do not qualify in any other priority group.

ARTICLE 5

ASSIGNMENT OF RENTS AND RECEIVERSHIP

Section 1. Minnesota Statutes 1990, section 504.20, subdivision 4, is amended to read:

Subd. 4. Any landlord who fails to provide a written statement within three weeks of termination of the tenancy and receipt of the tenant's mailing address or delivery instructions, as required in subdivision 3, ~~shall be or fails to transfer or return a deposit as required under subdivision 5, is liable to the tenant or the successor in interest~~ for damages in an amount equal to the portion of the deposit withheld by the landlord and interest thereon as provided in subdivision 2, as a penalty, in addition to the portion of the deposit wrongfully withheld by the landlord and interest thereon.

Sec. 2. Minnesota Statutes 1990, section 504.20, subdivision 5, is amended to read:

Subd. 5. Upon termination of the landlord's interest in the premises, whether by sale, assignment, death, appointment of receiver or otherwise, the landlord or the landlord's agent shall, ~~within a reasonable time~~ 60 days of termination of the interest or when the successor in interest is required to return or otherwise account for the deposit to the tenant, whichever occurs first, do one of the following acts, either of which shall relieve the landlord or agent of further liability with respect to such deposit:

(a) Transfer such deposit, or any remainder after any lawful deductions made under subdivision 3, with interest thereon as provided in subdivision 2, to the landlord's successor in interest and thereafter notify the tenant of such transfer and of the transferee's name and address; or

(b) Return such deposit, or any remainder after any lawful deductions made under subdivision 3, with interest thereon as provided in subdivision 2, to the tenant.

Sec. 3. Minnesota Statutes 1990, section 504.20, subdivision 7, is amended to read:

Subd. 7. ~~The bad faith retention by a landlord of the~~ a deposit, the

interest thereon, or any portion thereof, in violation of this section shall subject the landlord to punitive damages not to exceed \$200 for each deposit in addition to the damages provided in subdivision 4. If the landlord has failed to comply with the provisions of subdivision 3 or 5, retention of the a deposit shall be presumed to be in bad faith unless the landlord returns the deposit within two weeks after the commencement of any action for the recovery of the deposit.

Sec. 4. Minnesota Statutes 1990, section 559.17, subdivision 2, is amended to read:

Subd. 2. A mortgagor may assign, as additional security for the debt secured by the mortgage, the rents and profits from the mortgaged real property, if the mortgage:

(1) Was executed, modified or amended subsequent to August 1, 1977;

(2) Secured an original principal amount of ~~\$500,000~~ \$100,000 or more or is a lien upon residential real estate containing more than four dwelling units; and

(3) Is not a lien upon property which was entirely homesteaded ~~as residential real estate containing four or less dwelling units where at least one of the units is homesteaded~~, or agricultural property. The assignment may be enforced as follows:

(a) If, by the terms of an assignment, a receiver is to be appointed upon the occurrence of some specified event, and a showing is made that the event has occurred, the court shall, without regard to waste, adequacy of the security, or solvency of the mortgagor, appoint a receiver who shall, with respect to the excess cash remaining after application as provided in section 576.01, subdivision 2, apply it as prescribed by the assignment. If the assignment so provides, the receiver shall apply the excess cash in the manner set out herein from the date of appointment through the entire redemption period from any foreclosure sale. Subject to the terms of the assignment, the receiver shall have the powers and duties as set forth in section 576.01, subdivision 2; or

(b) If no provision is made for the appointment of a receiver in the assignment or if by the terms of the assignment a receiver may be appointed, the assignment shall be binding upon the assignor unless or until a receiver is appointed without regard to waste, adequacy of the security or solvency of the mortgagor, but only in the event of default in the terms and conditions of the mortgage, and only in the event the assignment requires the holder thereof to first apply the rents and profits received as provided in section 576.01, subdivision 2, in which case the same shall operate against and be binding upon the occupiers of the premises from the date of filing by the holder of the assignment in the office of the county recorder or the office of the

registrar of titles for the county in which the property is located of a notice of default in the terms and conditions of the mortgage and service of a copy of the notice upon the occupiers of the premises. The holder of the assignment shall apply the rents and profits received in accordance with the terms of the assignment, and, if the assignment so provides, for the entire redemption period from any foreclosure sale. A holder of an assignment who enforces it in accordance with this clause shall not be deemed to be a mortgagee in possession with attendant liability.

Nothing contained herein shall prohibit the right to reinstate the mortgage debt granted pursuant to section 580.30, nor the right to redeem granted pursuant to sections 580.23 and 581.10, and any excess cash, as that term is used herein, collected by the receiver under clause (a), or any rents and profits taken by the holder of the assignment under clause (b), shall be credited to the amount required to be paid to effect a reinstatement or redemption.

Sec. 5. Minnesota Statutes 1990, section 576.01, subdivision 2, is amended to read:

Subd. 2. A receiver shall be appointed in the following case:

After the first publication of notice of sale for the foreclosure of a mortgage pursuant to chapter 580, or with the commencement of an action to foreclose a mortgage pursuant to chapter 581, and during the period of redemption, if the mortgage being foreclosed secured an original principal amount of ~~\$500,000~~ \$100,000 or more or is a lien upon residential real estate containing more than four dwelling units and was not a lien upon property which was entirely homesteaded, residential real estate containing four or less dwelling units where at least one unit is homesteaded, or agricultural property, the foreclosing mortgagee or the purchaser at foreclosure sale may at any time bring an action in the district court of the county in which the mortgaged premises or any part thereof is located for the appointment of a receiver; provided, however, if the foreclosure is by action under chapter 581, a separate action need not be filed. Pending trial of the action on the merits, the court may make a temporary appointment of a receiver following the procedures applicable to temporary injunctions under the rules of civil procedure. If the motion for temporary appointment of a receiver is denied, the trial of the action on the merits shall be held as early as practicable, but not to exceed 30 days after the motion for temporary appointment of a receiver is heard. The court shall appoint a receiver upon a showing that the mortgagor has breached a covenant contained in the mortgage relating to any of the following:

(1) Application of tenant security deposits as required by section 504.20;

(2) Payment when due of prior or current real estate taxes or

special assessments with respect to the mortgaged premises, or the periodic escrow for the payment of the taxes or special assessments;

(3) Payment when due of premiums for insurance of the type required by the mortgage, or the periodic escrow for the payment of the premiums;

(4) Keeping of the covenants required of a lessor or licensor pursuant to section 504.18, subdivision 1.

The receiver shall be an experienced property manager. The court shall determine the amount of the bond to be posted by the receiver.

The receiver shall collect the rents, profits and all other income of any kind, manage the mortgaged premises so to prevent waste, execute leases within or beyond the period of the receivership if approved by the court, pay the expenses listed in clauses (1), (2), and (3) in the priority as numbered, pay all expenses for normal maintenance of the mortgaged premises and perform the terms of any assignment of rents which complies with section 559.17, subdivision 2. Reasonable fees to the receiver shall be paid prior thereto. The receiver shall file periodic accountings as the court determines are necessary and a final accounting at the time of discharge.

The purchaser at foreclosure sale shall have the right, at any time and without limitation as provided in section 582.03, to advance money to the receiver to pay any or all of the expenses which the receiver should otherwise pay if cash were available from the mortgaged premises. Sums so advanced, with interest, shall be a part of the sum required to be paid to redeem from the sale. The sums shall be proved by the affidavit of the purchaser, an agent or attorney, stating the expenses and describing the mortgaged premises. The affidavit must be filed for record with the county recorder or the registrar of titles, and a copy thereof shall be furnished to the sheriff and the receiver at least ten days before the expiration of the period of redemption.

Any sums collected which remain in the possession of the receiver at termination of the receivership shall, in the event the termination of the receivership is due to the reinstatement of the mortgage debt or redemption of the mortgaged premises by the mortgagor, be paid to the mortgagor; and in the event termination of the receivership occurs at the end of the period of redemption without redemption by the mortgagor or any other party entitled to redeem, interest accrued upon the sale price pursuant to section 580.23 or section 581.10 shall be paid to the purchaser at foreclosure sale. Any net sum remaining shall be paid to the mortgagor, except if the receiver was enforcing an assignment of rents which complies with section 559.17, subdivision 2, in which case any net sum remaining shall be paid pursuant to the terms of the assignment.

This subdivision shall apply to all mortgages executed on or after August 1, 1977, and to amendments or modifications of such mortgages, and to amendments or modifications made on or after August 1, 1977, to mortgages executed before August 1, 1977, if the amendment or modification is duly recorded and is for the principal purpose of curing a default.

ARTICLE 6

HOUSING AND REDEVELOPMENT AUTHORITIES

Section 1. Minnesota Statutes 1990, section 469.011, subdivision 4, is amended to read:

Subd. 4. [EXPENSES; COMPENSATION.] Each commissioner may receive necessary expenses, including traveling expenses, incurred in the performance of duties. Each commissioner may be paid \$35 up to \$55 for attending each regular and special meeting of the authority. The aggregate of all payments to each commissioner for any one year shall not exceed \$2,500. Commissioners who, as a result of time spent attending board meetings, incur child care expenses that would not otherwise have been incurred, may be reimbursed for those expenses upon board authorization. Commissioners who are elected officials or full-time state employees or full-time employees of the political subdivisions of the state may not receive the daily payment, but they may suffer no loss in compensation or benefits from the state or a political subdivision as a result of their service on the board. Commissioners who are full-time state employees or full-time employees of the political subdivisions of the state may receive the expenses provided for in this subdivision unless the expenses are reimbursed by another source. Commissioners who are state employees or employees of political subdivisions of the state may be reimbursed for child care expenses only for time spent on board activities that are outside their normal working hours.

Sec. 2. Minnesota Statutes 1990, section 469.012, subdivision 1, is amended to read:

Subdivision 1. [SCHEDULE OF POWERS.] An authority shall be a public body corporate and politic and shall have all the powers necessary or convenient to carry out the purposes of sections 469.001 to 469.047, except that the power to levy and collect taxes or special assessments is limited to the power provided in sections 469.027 to 469.033. Its powers include the following powers in addition to others granted in sections 469.001 to 469.047:

(1) to sue and be sued; to have a seal, which shall be judicially noticed, and to alter it; to have perpetual succession; and to make, amend, and repeal rules consistent with sections 469.001 to 469.047;

(2) to employ an executive director, technical experts, and officers, agents, and employees, permanent and temporary, that it requires, and determine their qualifications, duties, and compensation; for legal services it requires, to call upon the chief law officer of the city or to employ its own counsel and legal staff; so far as practicable, to use the services of local public bodies in its area of operation, provided that those local public bodies, if requested, shall make the services available;

(3) to delegate to one or more of its agents or employees the powers or duties it deems proper;

(4) within its area of operation, to undertake, prepare, carry out, and operate projects and to provide for the construction, reconstruction, improvement, extension, alteration, or repair of any project or part thereof;

(5) subject to the provisions of section 469.026, to give, sell, transfer, convey, or otherwise dispose of real or personal property or any interest therein and to execute leases, deeds, conveyances, negotiable instruments, purchase agreements, and other contracts or instruments, and take action that is necessary or convenient to carry out the purposes of these sections;

(6) within its area of operation, to acquire real or personal property or any interest therein by gifts, grant, purchase, exchange, lease, transfer, bequest, devise, or otherwise, and by the exercise of the power of eminent domain, in the manner provided by chapter 117, to acquire real property which it may deem necessary for its purposes, after the adoption by it of a resolution declaring that the acquisition of the real property is necessary to eliminate one or more of the conditions found to exist in the resolution adopted pursuant to section 469.003 or to provide decent, safe, and sanitary housing for persons of low and moderate income, or is necessary to carry out a redevelopment project. Real property needed or convenient for a project may be acquired by the authority for the project by condemnation pursuant to this section. This includes any property devoted to a public use, whether or not held in trust, notwithstanding that the property may have been previously acquired by condemnation or is owned by a public utility corporation, because the public use in conformity with the provisions of sections 469.001 to 469.047 shall be deemed a superior public use. Property devoted to a public use may be so acquired only if the governing body of the municipality has approved its acquisition by the authority. An award of compensation shall not be increased by reason of any increase in the value of the real property caused by the assembly, clearance or reconstruction, or proposed assembly, clearance or reconstruction for the purposes of sections 469.001 to 469.047 of the real property in an area;

(7) within its area of operation, and without the adoption of an

urban renewal plan, to acquire, by all means as set forth in clause (6) but without the adoption of a resolution provided for in clause (6), real property, and to demolish, remove, rehabilitate, or reconstruct the buildings and improvements or construct new buildings and improvements thereon, or to so provide through other means as set forth in Laws 1974, chapter 228, or to grade, fill, and construct foundations or otherwise prepare the site for improvements. The authority may dispose of the property pursuant to section 469.029, provided that the provisions of section 469.029 requiring conformance to an urban renewal plan shall not apply. The authority may finance these activities by means of the redevelopment project fund or by means of tax increments or tax increment bonds or by the methods of financing provided for in section 469.033 or by means of contributions from the municipality provided for in section 469.041, clause (9), or by any combination of those means. Real property with buildings or improvements thereon shall only be acquired under this clause when the buildings or improvements are substandard. The exercise of the power of eminent domain under this clause shall be limited to real property which contains, or has contained within the three years immediately preceding the exercise of the power of eminent domain, buildings and improvements which are vacated and substandard. For the purpose of this clause, substandard buildings or improvements mean hazardous buildings as defined in section 463.15, subdivision 3, or buildings or improvements that are dilapidated or obsolescent, faultily designed, lack adequate ventilation, light, or sanitary facilities, or any combination of these or other factors that are detrimental to the safety or health of the community;

(8) within its area of operation, to determine the level of income constituting low or moderate family income. The authority may establish various income levels for various family sizes. In making its determination, the authority may consider income levels that may be established by the Department of Housing and Urban Development or a similar or successor federal agency for the purpose of federal loan guarantees or subsidies for persons of low or moderate income. The authority may use that determination as a basis for the maximum amount of income for admissions to housing development projects or housing projects owned or operated by it;

(9) to provide in federally assisted projects any relocation payments and assistance necessary to comply with the requirements of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and any amendments or supplements thereto;

(10) to make an agreement with the governing body or bodies creating the authority which provides exemption from all real and personal property taxes levied or imposed by the state, city, county, or other political subdivisions, for which the authority shall make payments in lieu of taxes to the state, city, county, or other political

subdivisions as provided in section 469.040. The governing body shall agree on behalf of all the applicable governing bodies affected that local cooperation as required by the federal government shall be provided by the local governing body or bodies in whose jurisdiction the project is to be located, at no cost or at no greater cost than the same public services and facilities furnished to other residents;

(11) to cooperate with or act as agent for the federal government, the state or any state public body, or any agency or instrumentality of the foregoing, in carrying out any of the provisions of sections 469.001 to 469.047 or of any other related federal, state, or local legislation; and upon the consent of the governing body of the city to purchase, lease, manage, or otherwise take over any housing project already owned and operated by the federal government;

(12) to make plans for carrying out a program of voluntary repair and rehabilitation of buildings and improvements, and plans for the enforcement of laws, codes, and regulations relating to the use of land and the use and occupancy of buildings and improvements, and to the compulsory repair, rehabilitation, demolition, or removal of buildings and improvements. The authority may develop, test, and report methods and techniques, and carry out demonstrations and other activities for the prevention and elimination of slums and blight;

(13) to borrow money or other property and accept contributions, grants, gifts, services, or other assistance from the federal government, the state government, state public bodies, or from any other public or private sources;

(14) to include in any contract for financial assistance with the federal government any conditions that the federal government may attach to its financial aid of a project, not inconsistent with purposes of sections 469.001 to 469.047, including obligating itself (which obligation shall be specifically enforceable and not constitute a mortgage, notwithstanding any other laws) to convey to the federal government the project to which the contract relates upon the occurrence of a substantial default with respect to the covenants or conditions to which the authority is subject; to provide in the contract that, in case of such conveyance, the federal government may complete, operate, manage, lease, convey, or otherwise deal with the project until the defaults are cured if the federal government agrees in the contract to reconvey to the authority the project as then constituted when the defaults have been cured;

(15) to issue bonds for any of its corporate purposes and to secure the bonds by mortgages upon property held or to be held by it or by pledge of its revenues, including grants or contributions;

(16) to invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in property or

securities in which savings banks may legally invest funds subject to their control or in the manner and subject to the conditions provided in section 475.66 for the deposit and investment of debt service funds;

(17) within its area of operation, to determine where blight exists or where there is unsafe, unsanitary, or overcrowded housing;

(18) to carry out studies of the housing and redevelopment needs within its area of operation and of the meeting of those needs. This includes study of data on population and family groups and their distribution according to income groups, the amount and quality of available housing and its distribution according to rentals and sales prices, employment, wages, desirable patterns for land use and community growth, and other factors affecting the local housing and redevelopment needs and the meeting of those needs; to make the results of those studies and analyses available to the public and to building, housing, and supply industries;

(19) if a local public body does not have a planning agency or the planning agency has not produced a comprehensive or general community development plan, to make or cause to be made a plan to be used as a guide in the more detailed planning of housing and redevelopment areas;

(20) to lease or rent any dwellings, accommodations, lands, buildings, structures, or facilities included in any project and, subject to the limitations contained in sections 469.001 to 469.047 with respect to the rental of dwellings in housing projects, to establish and revise the rents or charges therefor;

(21) to own, hold, and improve real or personal property and to sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest therein;

(22) to insure or provide for the insurance of any real or personal property or operations of the authority against any risks or hazards;

(23) to procure or agree to the procurement of government insurance or guarantees of the payment of any bonds or parts thereof issued by an authority and to pay premiums on the insurance;

(24) to make expenditures necessary to carry out the purposes of sections 469.001 to 469.047;

(25) to enter into an agreement or agreements with any state public body to provide informational service and relocation assistance to families, individuals, business concerns, and nonprofit organizations displaced or to be displaced by the activities of any state public body;

(26) to compile and maintain a catalog of all vacant, open and undeveloped land, or land which contains substandard buildings and improvements as that term is defined in clause (7), that is owned or controlled by the authority or by the governing body within its area of operation and to compile and maintain a catalog of all authority owned real property that is in excess of the foreseeable needs of the authority, in order to determine and recommend if the real property compiled in either catalog is appropriate for disposal pursuant to the provisions of section 469.029, subdivisions 9 and 10;

(27) to recommend to the city concerning the enforcement of the applicable health, housing, building, fire prevention, and housing maintenance code requirements as they relate to residential dwelling structures that are being rehabilitated by low- or moderate-income persons pursuant to section 469.029, subdivision 9, for the period of time necessary to complete the rehabilitation, as determined by the authority;

(28) to recommend to the city the initiation of municipal powers, against certain real properties, relating to repair, closing, condemnation, or demolition of unsafe, unsanitary, hazardous, and unfit buildings, as provided in section 469.041, clause (5);

(29) to sell, at private or public sale, at the price or prices determined by the authority, any note, mortgage, lease, sublease, lease purchase, or other instrument or obligation evidencing or securing a loan made for the purpose of economic development, job creation, redevelopment, or community revitalization by a public agency to a business, for-profit or nonprofit organization, or an individual;

(30) within its area of operation, to acquire and sell real property that is benefited by federal housing assistance payments, other rental subsidies, interest reduction payments, or interest reduction contracts for the purpose of preserving the affordability of low- and moderate-income multifamily housing; ~~and~~

(31) to apply for, enter into contracts with the federal government, administer, and carry out a section 8 program. Authorization by the governing body creating the authority to administer the program at the authority's initial application is sufficient to authorize operation of the program in its area of operation for which it was created without additional local governing body approval. Approval by the governing body or bodies creating the authority constitutes approval of a housing program for purposes of any special or general law requiring local approval of section 8 programs undertaken by city, county, or multicounty authorities; and

(32) to secure a mortgage or loan by obtaining the appointment of receivers or assignments of rents and profits under sections 559.17 and 576.01, except that the limitation relating to the minimum

amounts of the original principal balances of mortgages specified in sections 559.17, subdivision 2, clause (2); and 576.01, subdivision 2, does not apply.

Sec. 3. Minnesota Statutes 1990, section 469.015, subdivision 3, is amended to read:

Subd. 3. [PERFORMANCE BONDS.] Performance bonds shall be required from contractors for any works of construction as provided in and subject to all the provisions of sections 574.26 to 574.31 except for contracts entered into by an authority for an expenditure of less than ~~\$15,000~~ \$25,000.

Sec. 4. Minnesota Statutes 1990, section 469.015, subdivision 4, is amended to read:

Subd. 4. [EXCEPTIONS.] (a) An authority need not require competitive bidding in the following circumstances:

(1) in the case of a contract for the acquisition of a low-rent housing project:

(i) for which financial assistance is provided by the federal government;

(ii) which does not require any direct loan or grant of money from the municipality as a condition of the federal financial assistance; and

(iii) for which the contract provides for the construction of the project upon land not owned by the authority at the time of the contract, or owned by the authority for redevelopment purposes, and provides for the conveyance or lease to the authority of the project or improvements upon completion of construction;

(2) with respect to a structured parking facility:

(i) constructed in conjunction with, and directly above or below, a development; and

(ii) financed with the proceeds of tax increment or parking ramp revenue bonds; and

(3) in the case of a housing development project if:

(i) the project is financed with the proceeds of bonds issued under section 469.034;

(ii) the project is located on land that is not owned by the authority at the time the contract is entered into, or is owned by the authority

only for development purposes, and provides for conveyance or lease to the authority of the project or improvements upon completion of construction; and

(iii) the authority finds and determines that elimination of the public bidding requirements is necessary in order for the housing development project to be economical and feasible.

(b) An authority need not require a performance bond ~~in the case of~~ for the following projects:

(1) a contract described in paragraph (a), clause (1);

(2) a construction change order for a housing project in which 30 percent of the construction has been completed;

(3) a construction contract for a single-family housing project in which the authority acts as the general construction contractor; or

(4) a services or materials contract for a housing project.

For purposes of this paragraph, "services or materials contract" does not include construction contracts.

Sec. 5. Minnesota Statutes 1990, section 469.015, is amended by adding a subdivision to read:

Subd. 5. [SECURITY IN LIEU OF BOND.] The authority may accept a certified check, letter of credit, or cashier's check in the same amount as required for a bond in lieu of a performance bond for contracts entered into by an authority for an expenditure of less than \$25,000. The check or letter of credit must be held by the authority for 90 days after the contract has been completed. If no suit is brought within the 90 days, the authority must return the amount of the check or letter of credit to the person making it. If a suit is brought within the 90-day period, the authority must disburse the amount of the check or proceeds from the letter of credit pursuant to the order of the court.

ARTICLE 7

LOCAL HOUSING AND ECONOMIC DEVELOPMENT PROGRAMS

Section 1. [116J.986] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 3.

Subd. 2. [INCUBATOR.] “Incubator” means a facility in which units of space may be leased by a tenant and in which the management maintains or provides access to business development services for use by tenants.

Subd. 3. [SPONSOR.] “Sponsor” means a nonprofit corporation organized under chapter 317A that complies with section 2 and qualifies for tax-exempt status under United States Code, title 26, section 501(c), which enters into a written agreement with the department to establish, operate, and administer an incubator or to provide funding to an organization which operates an incubator.

Subd. 4. [TENANT.] “Tenant” means a sole proprietorship, business partnership, or corporation operating a small business as defined by section 645.445 and leasing or otherwise occupying space in an incubator.

Sec. 2. [116J.987] [SMALL BUSINESS INCUBATOR PROGRAM.]

Subdivision 1. [GENERALLY.] The commissioner shall develop and establish a small business incubator program. The purpose of the program is to make loans and grants for the establishment, operation, and administration of small business incubators.

Subd. 2. [APPLICATIONS.] Sponsors may apply to the commissioner for loans or grants awarded under subdivision 1 to establish, operate, or administer an incubator. Each application must:

(1) demonstrate that a facility exists that operates as an incubator or can be transformed into an incubator at a specified cost;

(2) demonstrate the ability to provide or arrange for the provision of business development services for tenants of the incubator;

(3) demonstrate a potential for sustained use of the incubator by eligible tenants;

(4) demonstrate the ability to manage and operate the incubator;

(5) demonstrate a financial commitment of at least 50 percent of the projected costs; and

(6) include any other information the commissioner determines necessary to award the grants or loans.

Subd. 3. [ELIGIBLE USE OF FUNDS.] (a) Loans and grants awarded under subdivision 1 shall be used only for the following purposes:

- (1) the purchase or leasing of existing buildings;
 - (2) the rehabilitation of buildings or other facilities;
 - (3) the construction of new facilities;
 - (4) the purchase of equipment and furnishings which are necessary for the creation and operation of the incubator;
 - (5) paying administrative costs including the salary of the incubator manager; and
 - (6) establishing an incubator revolving loan fund to make loans to tenants with terms and conditions as the department determines.
- (b) Loans and grants may not exceed 50 percent of total eligible project costs.

Subd. 4. [LOAN REPAYMENT.] In making loans under subdivision 1, the department must:

- (1) determine the circumstances, terms, and conditions under which all or any portion of the loan will be repaid; and
- (2) establish appropriate security for the loan repayment.

Subd. 5. [RESPONSIBILITIES OF SPONSORS.] Sponsors receiving assistance under subdivision 1 have the following responsibilities for establishing and operating incubators:

- (1) to secure title to or a lease of the facility;
- (2) to manage the physical development of the incubator facility;
- (3) to provide common conference or meeting space in the incubator that can be used by tenants and community groups;
- (4) to furnish and equip the facility to provide business services to the tenants;
- (5) to market and promote the facility to secure eligible tenants and increase community awareness of the incubator and its tenants;
- (6) to arrange for or provide financial consulting, marketing, and management assistance services for tenants;
- (7) to set rental and service fees;
- (8) to encourage cooperation among tenants;

(9) to establish policies and criteria to determine tenant eligibility and termination of occupancy; and

(10) to maintain an environment that supports business growth.

Subd. 6. [APPLICATIONS; PRIORITY.] The commissioner may establish criteria to establish the priority of the applications received under subdivision 1. The criteria are not subject to chapter 14 and may include the following:

(1) the ability of the sponsor to carry out the provisions of this section;

(2) the economic impact of the incubator on the community;

(3) the incubator's conformance with regional, city, or local economic development plans, if any exist;

(4) the support of the community; and

(5) the location of the incubator, in order to encourage geographic distribution of incubators across the state.

Subd. 7. [REPORTS.] Organizations receiving funds under subdivision 1 must submit an annual report to the department. Annual reports must include, but need not be limited to, a financial statement for the incubator, a list of tenants, and evidence that all tenants are eligible under this section. The commissioner must report to the legislature by January 15, 1992, with a summary of the incubator reports and recommendations for the program.

Sec. 3. Laws 1988, chapter 594, section 6, is amended to read:

Sec. 6. [SMALL BUSINESS LOANS.]

The city council or the agency may make or guarantee working capital loans in an aggregate principal amount not exceeding ~~\$450,000~~ \$2,000,000 outstanding at any time, subject to such terms and conditions as established by ordinance by the city, to expanding small businesses which are located in the city for the purpose of increasing the tax base and providing employment opportunities within the city. As used in this subdivision, the term "small business" has the meaning given it in Minnesota Statutes, section 645.445, subdivision 2. ~~This section expires June 30, 1991.~~

Sec. 4. [ECONOMIC DEVELOPMENT ACTIVITY.]

In addition to and supplemental to any other provisions of general or special laws or charter, the city of St. Paul and the housing and redevelopment authority of the city of St. Paul may implement a

citywide economic development program, and in connection therewith may:

(1) provide working capital financing for any for-profit or non-profit enterprise, except from the proceeds of bonds or other obligations which may be issued only to provide the capital costs of a project;

(2) acquire an equity interest in a for-profit business entity through investment in a partnership or corporation;

(3) apply funds of the city or housing and redevelopment authority within or without the boundaries of any presently existing or future redevelopment project area, housing development project, housing project, municipal development district, economic development district, development district, mined underground space development, industrial development district, or tax increment district, except that tax increments shall only be applied in accordance with sections 469.174 to 469.179;

(4) exercise any or all of the powers of an economic development authority under sections 469.090 to 469.108, and the powers granted to a city by sections 469.090 to 469.108 or sections 469.048 to 469.068, or other law, provided that (i) only the city shall have the power under section 469.084, subdivision 11, to approve the issuance of revenue bonds by the port authority of the city of St. Paul, and (ii) the housing and redevelopment authority shall not exercise the other powers of the city under sections 469.090 to 469.108 or sections 469.048 to 469.068 until and unless the city, by resolution, delegates the exercise of all or some of those powers to the housing and redevelopment authority; and

(5) apply funds as permitted by clauses (1) to (4) to financing for any public or private parking facility, child care facility, or a project as defined by section 469.153, subdivision 2.

Nothing in this section shall be construed to authorize the city or housing and redevelopment authority to apply or expend funds derived from bonds or other obligations contrary to the terms of any resolution, indenture of trust, revenue agreement, or similar instrument entered into by the city or housing and redevelopment authority in connection with the bonds or obligations.

Sec. 5. [EFFECTIVE DATE.]

Section 3 is effective on the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Minneapolis. Section 4 is effective the day after compliance by the governing body of the city of St. Paul with Minnesota Statutes, section 645.021, subdivision 3.

ARTICLE 8
NEIGHBORHOOD LAND TRUSTS

Section 1. [462A.30] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 8.

Subd. 2. [AGENCY.] "Agency" means the Minnesota housing finance agency.

Subd. 3. [FIRST OPTION TO PURCHASE.] "First option to purchase" means a right of a neighborhood land trust or the agency to purchase all or any portion of the improvements and leasehold interest of a lessee, sublessee, or other resident of property subject to a ground lease, prior to the rights of any other party and at a limited equity price.

Subd. 4. [GROUND LEASE.] "Ground lease" means a lease of real property in which the lease does not include buildings or other improvements.

Subd. 5. [LEASEHOLD INTEREST.] "Leasehold interest" means the real property interest of a lessee in a ground lease in which the neighborhood land trust is the lessor.

Subd. 6. [LIMITED EQUITY FORMULA.] "Limited equity formula" means a method, to be determined by rule adopted by the agency, for calculation of the limited equity price, designed to maintain the affordability of the housing and the public subsidy.

Subd. 7. [LIMITED EQUITY PRICE.] "Limited equity price" means a price for the sale of any building or other improvement located on land owned by a neighborhood land trust determined by means of the limited equity formula.

Subd. 8. [NEIGHBORHOOD LAND TRUST.] "Neighborhood land trust" means a nonprofit corporation organized under chapter 317A that complies with section 2 and that qualifies for tax exempt status under United States Code, title 26, section 501(c)(3), and meets all other criteria for neighborhood land trust set by the agency.

Subd. 9. [PERSONS AND FAMILIES OF LOW AND MODERATE INCOME.] "Persons and families of low and moderate income" has the meaning specified in section 462A.03, subdivision 10.

Sec. 2. [462A.31] [NEIGHBORHOOD LAND TRUSTS.]

Subdivision 1. [PURPOSES.] A neighborhood land trust must

have as one of its purposes the holding of land and the leasing of land for the purpose of preserving the affordability of housing on that land for persons and families of low and moderate income.

Subd. 2. [POWERS.] A neighborhood land trust may have any or all of the powers permitted to a nonprofit corporation under chapter 317A, except that a neighborhood land trust must have the power to buy and sell land, to mortgage and otherwise encumber land, and to negotiate and enter into ground leases with an initial term of up to 99 years.

Subd. 3. [BYLAWS.] The bylaws of a neighborhood land trust must provide that:

(1) members of the general public who support the neighborhood land trust's purposes may become members of the trust;

(2) no more than 30 percent of the members may reside outside of the geographical area in which the neighborhood land trust operates, as specified in the bylaws;

(3) the membership has the power to elect a specified percentage of not less than 51 percent of the members of the governing board of the neighborhood land trust;

(4) lessees, residents of housing located on land owned by the neighborhood land trust, or representatives of either must constitute no less than 25 percent nor more than 40 percent of the membership of the governing board;

(5) remaining members of the governing board, if any, may be appointed by the neighborhood land trust board, to the extent specified in the bylaws; and

(6) the neighborhood land trust has the power to operate only within a geographical area specified in the bylaws.

Sec. 3. [462A.32] [LEASES.]

Subdivision 1. [LESSEES.] A neighborhood land trust shall hold title to and lease land to persons and families of low and moderate income or to other persons or corporations for purposes consistent with the goals of the neighborhood land trust.

Subd. 2. [RENT.] A neighborhood land trust may charge rent to the lessee in an amount to be determined by a method specified in the lease. The rent may include, but need not be limited to, land acquisition costs, real estate taxes, special assessments, an administrative charge, and a land use fee.

Subd. 3. [RESTRICTIONS.] A ground lease in which a neighborhood land trust is the lessor must contain provisions designed to preserve the affordability of housing on the land. Each ground lease must reserve to the neighborhood land trust the first option to purchase any building or improvement on the land, or any condominium or cooperative unit located in a building on the land, at a limited equity price specified in the ground lease. Each ground lease must grant to the Minnesota housing finance agency the right to exercise that first option to purchase if the neighborhood land trust does not, for any reason, exercise the first option. Each ground lease must exempt sales to persons and families of low and moderate income from the provisions granting the first option to purchase to the neighborhood land trust and to the Minnesota housing finance agency. Sales to persons and families of low and moderate income are not exempt from the limited equity price. A ground lease may also contain appropriate restrictions on:

- (1) subletting or assigning the ground lease;
- (2) construction and renovation of buildings and other improvements; and
- (3) sale of buildings and improvements.

Subd. 4. [MORTGAGES.] (a) A ground lease with a neighborhood land trust must prohibit the lessee from mortgaging the lessee's interest in the lease or in buildings or other improvements without the consent of the neighborhood land trust. A ground lease may obligate a neighborhood land trust as lessor and fee title holder to consent to, join in, or subordinate its interest to, a mortgage entered into by a lessee as mortgagor for the purpose of obtaining financing for construction or renovation of housing on the land. A lease provision so obligating a neighborhood land trust must specify that the mortgage must provide to the neighborhood land trust the right to receive from the mortgagee prompt notice of default in the mortgage and the right to cure the default or to purchase the mortgagee's interest in the mortgage. The limited equity price and provisions in subdivision 3 do not apply if the lessee or the neighborhood land trust fails to cure the default or purchase the mortgagee's interest in the mortgage.

(b) A ground lease with a neighborhood land trust must provide that the neighborhood land trust will not, during the term of the lease, mortgage or otherwise encumber its interest in the property or permit any liens on its interest in the property to exist. This prohibition does not apply to mortgages that require the mortgagee to subordinate the lien of its mortgage to a mortgage entered into by a lessee as mortgagor for the purpose of obtaining financing for construction or renovation of housing on the land.

Subd. 5. [RIGHTS OF HEIRS.] A ground lease with a neighbor-

hood land trust must provide that the heirs of the lessee may assume the lease, if the heirs agree to occupy the lease property as their homestead. For purposes of this subdivision, "the heirs" means the heirs at law of a lessee who dies intestate or the devisees of a lessee who dies testate.

Sec. 4. [462A.33] [NOTICE OF LEASE.]

A neighborhood ground lease must be in recordable form and may, but need not be, recorded in the office of the county recorder or filed in the office of the county registrar of titles. If the lease is not recorded or filed, the lessee shall record or file a notice of lease on a form to be prepared and made available by the agency. The notice of lease must state the names and addresses of the lessor and lessee, the beginning date and initial term of the lease, and a legal description of the property. The notice of lease must state that the lease is entered into pursuant to this chapter, must be signed by the lessor and lessee, and must be in recordable form.

Sec. 5. [462A.34] [DISSOLUTION.]

If a neighborhood land trust is dissolved, the procedure is governed by chapter 317A, except as otherwise provided in this section. If a receiver is to be appointed, the agency has priority to be appointed or to designate the appointee. The agency need not exercise its priority.

Sec. 6. [462A.35] [MORTGAGE SECURING LOANS TO TRUST.]

A neighborhood land trust may grant a mortgage on real estate to secure repayment of loans obtained from the state, any of its agencies or subdivisions, or any other entity, for the purpose of purchase, construction, or renovation of that real estate. Any such mortgage must comply with section 462A.32, subdivision 4, paragraph (b).

Sec. 7. [462A.36] [CITY OR HOUSING AUTHORITY MAY ACT AS LAND TRUST.]

Any home rule charter or statutory city, except cities of the first class, or any housing and redevelopment authority as defined by chapter 469 may exercise all of the powers granted in this chapter to neighborhood land trusts, subject to the city's or housing and redevelopment authority's ongoing compliance with all of the requirements of this chapter, except to the extent that compliance with this chapter conflicts with other law governing cities or housing and redevelopment authorities.

Sec. 8. [462A.37] [TRUST LAW NOT APPLICABLE.]

A neighborhood land trust is not subject to chapter 501B or the common law of trusts.

ARTICLE 9

FUNDING FOR NEIGHBORHOOD LAND TRUSTS

Section 1. Minnesota Statutes 1990, section 116J.984, subdivision 1, is amended to read:

Subdivision 1. [COMMUNITY AND NEIGHBORHOOD DEVELOPMENT GRANTS.] The commissioner may award matching grants to eligible organizations. Grants to any one eligible organization may not exceed \$25,000 in any fiscal year and a grant may not be used for any purpose that replaces an existing community program identified by the commissioner. Each grant must be matched with at least two dollars of nonstate money or in-kind contributions to each dollar of grant money. The grants may be used for community or neighborhood public safety and human service activities, street and public property lighting, recycling efforts, repair or removal of dilapidated buildings, community or neighborhood beautification and cleanup, historic preservation of buildings, small scale park and open space development, increasing or preserving the availability of housing primarily serving low- or moderate-income persons, organizing or funding neighborhood land trusts established under section 462A.30, and other projects, programs, or activities that the commissioner determines will improve or revitalize the community or neighborhood.

Sec. 2. Minnesota Statutes 1990, section 116J.984, subdivision 5, is amended to read:

Subd. 5. [APPLICATIONS; PRIORITY.] The commissioner may establish criteria to establish the priority of the applications received for grants awarded under subdivision 1. The criteria may include:

(1) the degree of community support measured by the amount of participation in the project or activities by volunteers;

(2) the extent that the eligible organizations have participated with or solicited input from other organizations that provide community and regional assistance;

(3) the amount of nonstate matching funds identified as available for the project or activities; ~~and~~

(4) the degree to which the project will assure the long-term affordability of neighborhood housing by use of a neighborhood land trust; and

(5) any other criteria the commissioner determines necessary to carry out the purposes of this section.

Sec. 3. Minnesota Statutes 1990, section 462A.02, is amended by adding a subdivision to read:

Subd. 11. It is further declared that it is in the best interests of the citizens of the state of Minnesota that public money used for the purposes of this chapter be used in a manner that best assures the long-term affordability of housing to low- and moderate-income citizens. To achieve that public purpose, the agency shall consider, in the making of grants and loans and other uses of agency resources, the degree to which such grants, loans, and other uses will assure the long-term affordability of the housing, by use of the neighborhood land trust model or other techniques.

Sec. 4. Minnesota Statutes 1990, section 462A.03, is amended by adding a subdivision to read:

Subd. 22. [NEIGHBORHOOD LAND TRUST.] "Neighborhood land trust" has the meaning specified in article 8, section 1.

Sec. 5. Minnesota Statutes 1990, section 462A.201, subdivision 2, is amended to read:

Subd. 2. [LOW-INCOME HOUSING.] The agency may, in consultation with the advisory committee, use money from the housing trust fund account to provide loans or grants for projects for the development, construction, acquisition, preservation, and rehabilitation of low-income rental and limited equity cooperative housing units and homes for ownership. Projects funded under this subdivision may involve property owned by a neighborhood land trust. No more than 20 percent of available funds may be used for home ownership projects. At least 75 percent of the rental and cooperative units, and 100 percent of the homes for ownership, must be rented to or cooperatively owned, or owned by persons and families whose income does not exceed 30 percent of the median family income for the metropolitan area as defined in section 473.121, subdivision 2. Neighborhood land trusts are eligible for both home ownership project funds and rental project funds. In making the grants, the agency shall determine the terms and conditions of repayment and the appropriate security, if any, should repayment be required. To promote the geographic distribution of grants and loans, the agency may designate a portion of the grant or loan awards to be set aside for projects located in specified congressional districts or other geographical regions specified by the agency. The agency may adopt emergency and permanent rules for awarding grants and loans under this subdivision. The emergency rules are effective for 180 days or until the permanent rules are adopted, whichever occurs first.

Sec. 6. [462A.204] [NEIGHBORHOOD LAND TRUST ACCOUNT.]

Subdivision 1. [CREATION.] (a) The neighborhood land trust account is created as a separate account in the housing development fund.

(b) The neighborhood land trust account consists of:

(1) money appropriated or transferred from other state funds;

(2) all interest, dividends, and pecuniary gains from investment of money of the neighborhood land trust account;

(3) all proceeds from the sale of land purchased with money from the neighborhood land trust account; and

(4) money made available to the agency for the purposes of the account from other sources, including the transfer of unencumbered balances from other accounts in the housing development fund.

Subd. 2. [APPLICATION OF ACCOUNT.] The agency shall make loans and grants to finance the organization of neighborhood land trusts, the purchase of land or interests in land by neighborhood land trusts, and the development of affordable housing in accordance with article 8.

Subd. 3. [AGENCY POWERS; DUTIES.] The agency shall:

(1) establish criteria to select which organizations eligible under article 8, that apply for loans and grants under this section, receive funding;

(2) establish priorities for funding neighborhood land trusts that best demonstrate the ability to provide housing for people most in need;

(3) establish requirements for matching funds for loans and grants under this section;

(4) determine the circumstances, terms, and conditions under which all or any portion of a loan made under this section will be repaid; and

(5) establish appropriate security for loan repayment.

Subd. 4. [ELIGIBLE ORGANIZATIONS; CAPACITY.] An organization eligible under article 8 must demonstrate in its application to the agency that it is able to establish and operate a neighborhood land trust by having the capacity to:

(1) organize and continue a relationship with the land trust board as required by article 8;

(2) select and acquire property for a neighborhood land trust and contract with businesses or organizations for the rehabilitation or development of the neighborhood land trust property;

(3) acquire any required matching funds;

(4) link residents of neighborhood land trusts with community self-sufficiency resources; and

(5) provide property maintenance classes and other residential assistance.

Subd. 5. [TRANSFERS.] Notwithstanding section 462A.20, subdivision 3, the agency may not transfer unencumbered balances from the neighborhood land trust account to any other account in the housing development fund.

Sec. 7. [462A.38] [NEIGHBORHOOD LAND TRUST REPORTS.]

Each neighborhood land trust that receives a grant or loan from the agency must submit an annual report to the agency by December 1 of each year. The report must describe the use of grant or loan funds received.

By January 15, 1992, and each year thereafter, the agency must prepare and submit an annual report to the legislature and the governor summarizing the reports of the neighborhood land trusts.

ARTICLE 10

APPROPRIATIONS

Section 1. [APPROPRIATION; DEPARTMENT OF JOBS AND TRAINING.]

\$500,000 is appropriated from the general fund to the commissioner of jobs and training for the emergency mortgage and rental assistance pilot project to be available for the biennium ending June 30, 1993.

\$750,000 is appropriated from the general fund to the commissioner of jobs and training for the operation of transitional housing programs under Minnesota Statutes, section 268.38, to be available for the biennium ending June 30, 1993.

Sec. 2. [APPROPRIATION; HOUSING TRUST FUND ACCOUNT.]

\$2,000,000 is appropriated and transferred from the general fund to the housing trust fund account in the housing development fund for the purposes specified in Minnesota Statutes, section 462A.201.

Sec. 3. [APPROPRIATION; HOUSING DEVELOPMENT FUND.]

\$423,000 is appropriated from the general fund to the housing development fund for the tribal Indian housing programs under Minnesota Statutes, section 462A.07, subdivision 14.

\$100,000 is appropriated from the general fund to the housing development fund to provide housing for chronic chemically dependent adults under section 462A.05. Other special needs housing funds can also be used for the purpose of providing housing for chronic chemically dependent adults.

Sec. 4. [APPROPRIATION; NEIGHBORHOOD LAND TRUST ACCOUNT.]

\$100,000 is appropriated from the general fund to the commissioner of the housing finance agency for the neighborhood land trust account to be available until expended.

Sec. 5. [APPROPRIATION; HOUSING FOR HOMELESS.]

\$100,000 is appropriated from the general fund to the commissioner of state planning to administer article 3, sections 2 to 8 to be available for the biennium ending June 30, 1993.

Sec. 6. [APPROPRIATION; TRADE AND ECONOMIC DEVELOPMENT.]

\$50,000 is appropriated from the general fund to the commissioner of trade and economic development to fund an incubator as a pilot project. This incubator must be located in the seven-county metropolitan area in a city of the first class in a targeted neighborhood with a high population of low-income American Indian residents. The targeted neighborhood is defined by Minnesota Statutes, section 469.201. This sum is available until June 30, 1993. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

No funds shall be released for the purposes of sections 1 and 2 until the commissioner of trade and economic development has reviewed the services and determined that they do not duplicate other state programs."

Delete the title and insert:

"A bill for an act relating to housing; modifying procedures relating to rent escrow actions; modifying procedures relating to the tenant's loss of essential services; assigning tort liability to landlords for certain damages; modifying provisions relating to tenant remedy actions, retaliatory eviction proceedings, and receivership proceedings; creating a program for homeless persons administered by the state planning agency; modifying department of health provisions relating to lead abatement; providing for an emergency mortgage and rental assistance pilot project administered by the department of jobs and training; providing for housing finance agency funding for lead abatement; modifying the youth employment program; modifying certain receivership, assignment of rents and profits, and landlord and tenant provisions; modifying provisions relating to housing and redevelopment authorities; providing for small business incubator programs; providing for the issuance of bonds by the city of St. Paul; authorizing the city of Minneapolis to make small business loans; authorizing and funding neighborhood land trusts; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 116C.04, by adding a subdivision; 116J.984, subdivisions 1 and 5; 144.871, subdivisions 2 and 7; 144.873, subdivision 1; 144.874, subdivisions 1, 2, 3, and by adding subdivisions; 268.362; 268.364, subdivision 4; 268.365, subdivision 2; 462A.02, by adding a subdivision; 462A.03, by adding a subdivision; 462A.05, by adding a subdivision; 462A.201, subdivision 2; 462A.21, by adding a subdivision; 469.011, subdivision 4; 469.012, subdivision 1; 469.015, subdivisions 3, 4, and by adding a subdivision; 481.02, subdivision 3; 504.02; 504.185, subdivision 2; 504.20, subdivisions 3, 4, 5, and 7; 504.27; 504.33, subdivisions 3, 5, and 7; 504.34, subdivisions 3, 5, and 6; 559.17, subdivision 2; 566.03, subdivision 1; 566.17, by adding a subdivision; 566.175, subdivision 6; 566.18, subdivision 9; 566.19, subdivision 2; 566.205, subdivisions 1, 3, and 4; 566.21, subdivision 2; 566.25; 566.29, subdivisions 2 and 4; 566.34, subdivision 2; 576.01, subdivision 2; and Laws 1988, chapter 594, section 6; proposing coding for new law in Minnesota Statutes, chapters 116J; 116K; 144; 268; 462A; 504; and 609."

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. 1109, A bill for an act relating to economic development; creating Advantage Minnesota, Inc.; requiring a report to the legislature; appropriating money for matching funds; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reported the same back with the following amendments:

Page 3, delete section 2

Amend the title as follows:

Page 1, line 4, delete everything after the first semicolon

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. 1273, A bill for an act relating to children; modifying child protection system data practices study requirements; amending Laws 1990, chapter 542, section 36.

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. 1377, A bill for an act relating to the city of Richfield; authorizing the city to advance money to the commissioner of transportation to expedite construction of a frontage road within the city; authorizing an agreement between the commissioner and the city; authorizing the city to issue bonds and requiring the commissioner to pay interest on the bonds up to a certain amount.

Reported the same back with the following amendments:

Page 2, line 1, before the period insert “, beginning in the year the project is scheduled for completion in the highway work program”

Page 2, line 5, after “advanced” insert “is appropriated to the commissioner for the purposes in this section and”

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 1387, A bill for an act relating to public buildings; requiring that legislative hearing rooms and the house and senate chambers be fitted with devices to aid the hearing-impaired; appropriating money; amending Minnesota Statutes 1990, section 16B.61, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 22, delete "\$....." and insert "\$30,000"

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. 1655, A bill for an act relating to taxation; authorizing the department of trade and economic development to issue obligations to finance construction of aircraft maintenance and repair facilities; providing tax credits for job creation; providing an exemption from sales tax for certain equipment and materials; authorizing establishment of tax increment financing districts in the cities of Duluth and Hibbing; authorizing the metropolitan airports commission to operate outside the metropolitan area; amending Minnesota Statutes 1990, sections 290.06, by adding a subdivision; 360.013, subdivision 5; 360.032, subdivision 1; 360.038, subdivision 4; 473.608, subdivision 1; and 473.667, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 297A; and 473; proposing coding for new law as Minnesota Statutes, chapter 116R.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“ARTICLE 1

AIRCRAFT MAINTENANCE AND ENGINE REPAIR FACILITIES: STATE FINANCING

Section 1. [116R.01] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] The definitions in this section apply to sections 1 to 16.

Subd. 2. [BONDS.] "Bonds" means the bonds authorized under section 2, subdivision 1, or bonds issued to refund these bonds, except for deficiency bonds.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of finance.

Subd. 4. [DEFICIENCY BONDS.] "Deficiency bonds" means the bonds authorized under section 13, subdivision 3, or bonds issued to refund these bonds.

Sec. 2. [116R.02] [BOND ISSUE; SALE AUTHORIZATION.]

Subdivision 1. [SALE AUTHORIZATION.] The commissioner of finance, upon the request of the governor, may issue and sell revenue bonds as provided under sections 1 to 15 in one or more series or issues for the purposes provided in this section in the aggregate principal amount of up to \$350,000,000. Proceeds of the bonds and investment income on the proceeds are appropriated in the amounts and for the purposes specified in subdivisions 2, 5, and 6 and section 4.

Subd. 2. [LOAN, LEASE, AND REVENUE AGREEMENTS.] (a) The commissioner may loan the proceeds of the bonds, make other loans or enter into lease agreements or other revenue agreements for the facilities described in subdivisions 5 and 6. The commissioner may provide for servicing of the loans and agreements, the times they are payable and the amounts of payments, the amount of the loans and agreements, their security, and other terms, conditions, and provisions necessary or convenient in connection with them and may enter into all necessary contracts and security instruments in connection with them. The commissioner shall seek to obtain the best available security for the loans or agreements. The facilities described in subdivisions 5 and 6 may be pledged as collateral for the loans made and bonds issued under sections 1 to 15.

(b) To reduce the risk that state general funds will be needed to pay debt service on the state guaranteed bonds, the commissioner must require that the financing arrangements include a coverage test satisfactory to the commissioner so that the sum of the value of the assets and other security pledged to the payment of bonds or the rent due under any lease of the project and taken into account by the commissioner is no less than 125 percent of the outstanding state guaranteed bonds. Assets and other security that may be taken into account include (1) net unencumbered value of the project and any collateral or third party guaranty, including a letter of credit, pledged or otherwise furnished by a user of the project or by a benefitted airline company as security for the payment of rent, (2)

bond proceeds, including earnings thereon, and (3) prepayments of rent, after making such adjustments the commissioner determines to be appropriate to take into account any outstanding bonds secured by a lien on the project or rent that is prior to the lien thereon that is securing the state guaranteed bonds. The commissioner may adopt the method of valuing the assets and other security as the commissioner determines to be appropriate, including valuation of the project as its original cost less depreciation.

“State guaranteed bonds” means all outstanding bonds secured as provided in subdivision 4, paragraph (a).

Subd. 3. [REVIEW PROCEDURE; DATA PRACTICES.] (a) Before issuing the bonds, approving financial assistance, or entering into loan, lease, or other revenue agreements for the facilities described in subdivisions 5 and 6, the commissioner of finance shall review the financial condition of the proposed lessee of the facilities, and any corporations affiliated with the lessee by common ownership, relating to the proposed debt financing. The commissioner shall exercise due diligence in the review. The commissioner shall engage a nationally recognized consultant familiar with the airline industry and its financing to prepare a written report on the financial condition of the lessee, and any corporations affiliated with the lessee by common ownership, relating to the proposed debt financing. The lessee and any corporations affiliated with the lessee by common ownership shall provide all information required for the commissioner’s review and the consultant’s report, including information similar to that required by an investment bank or other financial institution considering a project for debt financing.

(b) The commissioner of trade and economic development and the metropolitan airports commission shall advise the commissioner of finance on the financing of the proposed facilities, the proposed financial assistance, and related loan, lease, and other revenue agreements. The commissioner of trade and economic development and the metropolitan airports commission shall review all financial information related to the transaction. The commissioner of finance may not issue the bonds, approve the financial assistance, or enter into loan, lease, or other revenue agreements until the commissioner of trade and economic development and the metropolitan airports commission approve the proposed financial assistance.

(c) Except as otherwise provided in this subdivision, the following data required under sections 1 to 15 or submitted in connection with the provision of financial assistance or any agreement authorized under this act is nonpublic data: business plans, financial statements, customer lists, and market and feasibility studies paid for with nonpublic money. The commissioner or the commissioner of trade and economic development may make the data accessible to any person, agency, or public entity if the commissioner or the commissioner of trade and economic development determines that

access is required under state or federal securities law or is necessary for the person, agency, or public entity to perform due diligence in connection with the provision of financial assistance to the facilities described in subdivisions 5 and 6.

(d) Before the commissioner issues bonds, approves financial assistance, or enters into loan, lease, or other revenue agreements, the commissioner shall submit a report on the proposed transaction to the governor. The report must describe: all proposed state and local government financial commitments; the financial assistance proposed to be provided; the proposed loan, lease, and revenue agreements; any other arrangements related to state and local debt, taxes, financing, and debt service; and the estimates of economic activity, air traffic, and other factors that have been used in assessing the prospective financial condition of the lessee and its affiliates. The report must contain the following findings:

(1) that the commissioners of trade and economic development and finance and the metropolitan airports commission have reviewed the current and prospective financial condition of the proposed lessee of the facilities and any corporations affiliated with the lessee by common ownership; and

(2) that, on the basis of their review, the commissioners and commission have determined that the revenues estimated to be available to the lessee for payments under the loan, lease, or other revenue agreements are at least sufficient during each year of the term of the proposed bonds to pay when due all financial obligations of the lessee under the terms of the proposed loan, lease, or other revenue agreements. Copies of the report must be filed at the legislature as provided in section 3.195 when the report is submitted to the governor.

Subd. 4. [SECURITY.] (a) If so provided in the commissioner's order or any indenture authorizing the applicable series of bonds, up to \$125,000,000 principal amount of bonds for the facility described in subdivision 5 and up to \$50,000,000 principal amount of bonds for the facility described in subdivision 6 may be secured by either of the following methods:

(1) upon the occurrence of any deficiency in a debt service reserve fund for a series of bonds as provided in section 13, subdivision 3, the commissioner shall issue and sell deficiency bonds in a principal amount not to exceed (i) the lesser of \$125,000,000 or the outstanding principal amount of the bonds secured by the debt service reserve fund for facilities described in subdivision 5 and (ii) the lesser of \$50,000,000 or the outstanding principal amount of the bonds secured by the debt service fund for the facilities described in subdivision 6; or

(2) the bonds may be directly secured by a pledge of the full faith,

credit, and taxing power of the state and issued as general obligation revenue bonds of the state in accordance with the Minnesota Constitution, article XI, sections 4 to 7.

Deficiency bonds and bonds issued under clause (2) must be issued in accordance with and subject to sections 16A.641, 16A.66, 16A.672, and 16A.675, except for section 16A.641, subdivision 5, and except that the bonds may be sold at public or private sale at a price or prices determined by the commissioner as provided in section 13, subdivision 3.

(b) At the request of the commissioner, St. Louis county shall by resolution of its county board, unconditionally and irrevocably pledge as a general obligation, its full faith, credit, and taxing power to pay or secure payment of principal and interest due on up to \$12,600,000 principal amount of revenue bonds for the facility described in subdivision 5 and principal and interest due on up to \$15,000,000 principal amount of revenue bonds for the facility described in subdivision 6. The general obligation and pledge of St. Louis county are not subject to and shall not be taken into account for purposes of any debt limitation. A levy of taxes for the St. Louis county general obligation is not subject to and shall not be taken into account for purposes of any levy limitations. The general obligation and the bonds secured by the general obligation may be issued without an election. Except for sections 475.61 and 475.64, chapter 475 does not apply to the general obligation or to the bonds secured by the general obligation.

(c) Bonds and deficiency bonds issued under sections 1 to 15 and any indenture entered into in connection with the issuance of the bonds are not subject to section 16B.06.

Subd. 5. [USE OF PROCEEDS; AIRCRAFT MAINTENANCE FACILITY.] The proceeds of the bonds issued in a principal amount not to exceed \$250,000,000 must be used to finance the costs related to the planning, construction, improvement, or equipping of a heavy maintenance facility for aircraft and facilities subordinate and related to the facility to be located at the Duluth international airport and any costs of issuance, reserves, credit enhancement, or an initial period of interest payments related to the bonds or the facility. The facility must be owned by the metropolitan airports commission and leased for the benefit of one or more airline companies for use as a heavy maintenance base. With the approval of the commissioner, the owner of the facility may place a mortgage or security interest lien on the facility or any interest in or part of the facility. The mortgage is exempt from the mortgage registry tax imposed under chapter 287. In the event of a default under the loan, lease agreement, or other revenue agreement, the facility, or any part of the facility, may be leased or sold to another person for any lawful purpose, subject to the approval of the commissioner. The

approval of the commissioner is not required if the bond trustee has taken control of the facility as a result of a default.

The ownership of the facility by the owner must not create any liability of the owner for payment of the debt service on the bonds. The owner may require as a condition of entering the lease of the facility that the lessee pay all costs, expenses, or any other obligations of ownership.

Subd. 6. [USE OF PROCEEDS; AIRCRAFT ENGINE REPAIR FACILITY.] The proceeds of the bonds issued in a principal amount not to exceed \$100,000,000 must be used to finance the costs related to the planning, construction, improvement, or equipping of an aircraft engine repair facility and facilities subordinate and related to the facility to be located at the Chisholm-Hibbing municipal airport in the city of Hibbing and any costs of issuance, reserves, credit enhancement, or an initial period of interest payments related to the bonds or the facility. The facility must be owned by the owner of the Chisholm-Hibbing municipal airport, but may be leased, with or without a purchase option exercisable, to any person for the primary purpose of repairing aircraft engines or components. With the approval of the commissioner, the owner of the facility may place a mortgage or security interest lien on the facility. The mortgage is exempt from the mortgage registry tax imposed under chapter 287. In the event of a default under the loan, lease agreement, or other revenue agreement, the facility may be leased or sold to another person for any lawful purpose, subject to the approval of the commissioner. The approval of the commissioner is not required if the bond trustee has taken control of the facility as a result of a default.

Subd. 7. [AGREEMENT OF LESSEE.] Before issuing the bonds for the facilities, approving financial assistance, or entering into loan, lease, or other revenue agreements for the facilities described in subdivisions 5 and 6, the commissioner shall determine that the lessee and, if necessary, other corporations affiliated with by common ownership with the lessee have agreed to requirements satisfactory to the commissioner respecting the retention and location in the state, for at least the term of the lease, of employees, domestic and international operations, and facilities, including headquarters facilities, of the lessee or other affiliated corporation.

Subd. 8. [ENVIRONMENTAL ASSESSMENT.] Notwithstanding any other law or rule, no environmental review must be completed prior to the approval of an application and the issuance of a conditional commitment for the loan, or the taking of any other action permitted by sections 1 to 15, including the issuance of bonds, which is considered necessary or desirable by the commissioner to prepare for a final commitment and to make it effective. Environmental review, to the extent required by law, shall be made in conjunction with the issuance by state agencies of environmental

permits for the project. Permits may be applied for prior to the issuance of a conditional commitment. Action shall be taken as expeditiously as possible on environmental review and all permits required.

Subd. 9. [PROJECT COST REPORT.] Before the commissioner of finance issues bonds, approves financial assistance, or enters into loan, lease, or other revenue agreements for the facilities described in subdivisions 5 and 6, the commissioner of trade and economic development shall report to the governor on total public costs related to the construction of the facilities. The report must include: an estimate of the total state and local tax costs for the project; and an estimate of the total state and local capital costs, and method of financing, of any airport and off-airport improvements related to the construction of the facilities but not included in the cost of the facilities, including any runway or taxiway improvements and road, highway, sewer, or other public facility or utility improvement costs. Copies of the report must be filed at the legislature as provided in section 3.195 when the report is submitted to the governor.

Sec. 3. [116R.03] [GENERAL POWERS.]

For the purpose of exercising the specific powers authorized under sections 1 to 15 and effectuating the other purposes of sections 1 to 15, the commissioner may:

(1) acquire, hold, pledge, assign, or dispose of real or personal property or any interest in property, including a mortgage or security interest in a facility described in section 2, subdivision 5 or 6;

(2) enter into agreements, contracts, or other transactions with any federal or state agency, any person and any domestic or foreign partnership, corporation, association, or organization, including contracts or agreements for administration and implementation of all or part of sections 1 to 15;

(3) acquire real property, or an interest therein, by purchase or foreclosure, where the acquisition is necessary or appropriate;

(4) enter into agreements with lenders, borrowers, or the issuers of securities for the purpose of regulating the development and management of any facility financed in whole or in part by the proceeds of bonds or loans;

(5) enter into agreements with other appropriate federal, state, or local governmental units; and

(6) contract with, use, or employ any federal, state, regional, or

local public or private agency or organization, legal counsel, financial advisors, investment bankers or others, upon terms the commissioner considers necessary or desirable, to assist in the exercise of any of the powers authorized under sections 1 to 15 and to carry out the objectives of sections 1 to 15 and may pay for the services from bond proceeds or otherwise available department money.

Sec. 4. [116R.04] [REVENUE BONDS; PURPOSES, TERMS, APPROVAL.]

Subdivision 1. [BONDS.] The commissioner from time to time may issue negotiable bonds in one or more series or issues in a principal amount which, in the opinion of the commissioner of trade and economic development, is necessary to provide sufficient funds for achieving the purposes of sections 1 to 15, including the construction of a heavy maintenance facility for aircraft to be located at the Duluth international airport, the financing of an aircraft engine repair facility in the city of Hibbing, the payment of interest on bonds of the commissioner, the establishment of reserves to secure the bonds, and the payment of all other expenditures of the commissioner and the owner of a financed facility incident to and necessary or convenient to carry out the purposes and powers of sections 1 to 15. The bonds may be issued as bonds or notes or in any other form authorized by law. Except as provided in section 2, subdivision 4, paragraph (a), and section 13, subdivision 3, sections 16A.31 to 16A.675 do not apply to the bonds authorized under section 2.

Subd. 2. [REFUNDING OF BONDS.] The commissioner from time to time may issue bonds for the purpose of refunding any bonds then outstanding, including the payment of any redemption premiums thereon, any interest accrued or to accrue to the redemption date, and costs related to the issuance and sale of the bonds. The proceeds of any refunding bonds may, in the discretion of the commissioner, be applied to the purchase or payment at maturity of the bonds to be refunded, to the redemption of such outstanding bonds on any redemption date, or to pay interest on the refunding bonds and may, pending such application, be placed in escrow to be applied to such purchase, payment, retirement, or redemption. Any such escrowed proceeds, pending such use, may be invested and reinvested in obligations that are authorized investments under section 11A.24. The income earned or realized on any such investment may also be applied to the payment of the bonds to be refunded, interest or premiums on the refunded bonds, or to pay interest on the refunding bonds. After the terms of the escrow have been fully satisfied, any balance of such proceeds and any investment income may be returned to the general fund or, if applicable, the state bond fund, for use in any lawful manner. All refunding bonds issued under the provisions of this subdivision must be issued and secured in the manner provided by order of the commissioner, provided that any refunding bonds may be secured in any manner by which the

refunded bonds were secured and payable from any source from which the refunded bonds were secured.

Subd. 3. [KIND OF BONDS.] All bonds issued under this section must be issued in the form and manner provided in section 16A.672.

Subd. 4. [COMPLIANCE WITH FEDERAL LAW.] The commissioner may covenant and agree with the holders of the bonds issued under this section that the state will comply, insofar as possible, with the provisions of the United States Internal Revenue Code now or hereafter enacted that are applicable to the bonds and that establish conditions under which the interest to be paid on the bonds will not be includable in gross income for federal tax purposes.

Subd. 5. [TAXABILITY OF INTEREST.] Interest on the bonds authorized by this section may be issued without regard to whether the interest to be paid on them is includable in gross income for federal tax purposes.

Sec. 5. [116R.05] [BONDS; ORDERS AUTHORIZING, ADDITIONAL TERMS, SALE.]

Subdivision 1. [TERMS.] The bonds must be authorized by an order or orders of the commissioner, bear such date or dates, mature at such time or times, bear interest at such rate or rates, be in such denominations, be in such form, carry such registration privileges, be executed in such manner, be payable in lawful money of the United States, at such place or places within or without the state, and be subject to such terms of redemption or purchase prior to maturity as the order or orders may provide, or as may be provided in any indenture or indentures of trust. If, for any reason, whether existing at the date of issue of any bonds or at the date of making or purchasing any loan or securities from the proceeds or after that date, the interest on any bonds is or becomes subject to federal income taxation, this shall not impair or affect the validity of the provisions made for the security of the bonds. The bonds may be sold at public or private sale at a price or prices determined by the commissioner. The underwriting discount, spread, or commission paid or allowed to the underwriters of the bonds, however, must be an amount not in excess of the amount determined by the commissioner to be reasonable in the light of the risk assumed and the expenses of issuance, if any, required to be paid by the underwriters or prevailing market conditions and practices.

Subd. 2. [SOURCES OF PAYMENT.] Except as otherwise provided for bonds issued under section 2, subdivision 4, paragraph (a), the bonds are payable solely from the following sources and are appropriated, but only to the extent provided in the order or indenture authorizing or securing the bonds:

- (1) revenues of any nature derived from the ownership, lease,

operation, sale, foreclosure, or refinancing of a facility described in section 2, subdivision 5 or 6;

(2) repayments of any loans made under sections 1 to 15;

(3) proceeds of any bonds or deficiency bonds;

(4) amounts in any account or accounts authorized by section 11 or 12;

(5) amounts paid by St. Louis county under its obligations referred to in section 2, subdivision 4;

(6) investment income on any of the sources specified in clauses (1) to (7);

(7) amounts payable under any insurance policy, guaranty, letter of credit, or other instrument securing the bonds; and

(8) any other revenues which the commissioner may pledge but excluding state appropriations unless the appropriation was specifically designated for that purpose.

Subd. 3. [NOT A STATE DEBT.] Except as provided in section 2, subdivision 4, paragraph (a), no bond shall constitute a debt of the state within the meaning of any statutory or constitutional limitation or pledge the full faith and credit of the state, and no holder of any bonds may compel any exercise of the taxing power of the state to pay principal, premiums, or interest for the bonds, nor to enforce payment of principal, premiums, or interest against any property of the state, except for property expressly pledged, mortgaged, encumbered, or appropriated for this purpose.

Sec. 6. [116R.06] [BONDS; OPTIONAL ORDER AND CONTRACT PROVISIONS.]

Any order authorizing any bonds or any issue of bonds or any indenture may contain provisions, which may be a part of the contract with the holders of the bonds, as to the matters referred to in this section.

(a) It may pledge or create a lien on money or property and any money held in trust or otherwise by others to secure the payment of the bonds or of any series or issue of bonds, subject to any agreements with bondholders which exist.

(b) It may provide for the custody, collection, securing, investment, and payment of money.

(c) It may set aside reserves or sinking funds and provide for their regulation and disposition and may create other special funds into which money may be deposited.

(d) It may limit the loans and securities to which the proceeds of sale of bonds may be applied and may pledge repayments thereon to secure the payment of the notes or bonds or of any series or issue of notes or bonds.

(e) It may limit the issuance of additional bonds, the terms upon which additional bonds may be issued and secured, and the refunding of outstanding or other bonds.

(f) It may prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent to the amendment or abrogation, and the manner in which that consent may be given.

(g) It may vest in a trustee or trustees property, rights, powers, and duties in trust determined by the commissioner, which may include any or all of the rights, powers, and duties of the bondholders, or may limit the rights, powers, and duties of the trustee. It may make contracts with a trustee or trustees authorizing the trustee or trustees to invest in investments that may be invested in by the state board of investment under section 11A.24, and apply, or dispose of and use money in any account.

(h) It may define the acts or omissions to act which constitute a default in the obligations and duties of the commissioner and may provide for the rights and remedies of the holders of bonds in the event of a default, and provide any other matters of like or different character, consistent with the general laws of the state and other provisions of sections 1 to 15, which in any way affect the security or protection of the bonds and the rights of the bondholders.

Sec. 7. [116R.07] [PLEDGES.]

Any pledge made by the commissioner is valid and binding from the time the pledge is made. The money or property pledged and later received by the commissioner is immediately subject to the lien of the pledge without any physical delivery of the property or money or further act, and the lien of any pledge is valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the commissioner, whether or not those parties have notice of the lien or pledge. Neither the order nor any other instrument by which a pledge is created need be recorded.

Sec. 8. [116R.08] [BONDS; NONLIABILITY OF INDIVIDUALS.]

The commissioner and the commissioner's staff and any person executing the bonds are not personally liable on the bonds or subject to any personal liability or accountability by reason of their issuance.

Sec. 9. [116R.09] [BONDS; PURCHASE AND CANCELLATION.]

The commissioner, subject to agreements with bondholders which may then exist, has power out of any funds available for the purpose to purchase bonds of the commissioner at a price not exceeding (a) if the bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment date thereon, or (b) if the bonds are not redeemable, the redemption price applicable on the first date after the purchase upon which the bonds become subject to redemption plus accrued interest to that date.

Sec. 10. [116R.10] [STATE PLEDGE AGAINST IMPAIRMENT OF CONTRACTS.]

The state pledges and agrees with the holders of any bonds issued under sections 1 to 15, that the state will not limit or alter the rights vested in the commissioner to fulfill the terms of any agreements made with the bondholders, or in any way impair the rights and remedies of the holders until the bonds, together with interest on them, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the bondholders, are fully met and discharged. The commissioner may include this pledge and agreement of the state in any agreement with the holders of bonds issued under sections 1 to 15.

Sec. 11. [116R.11] [AIRCRAFT FACILITIES FUNDS AND DEBT SERVICE ACCOUNTS.]

Subdivision 1. [FUNDS.] The commissioner or any trustee appointed by the commissioner under sections 1 to 15 shall establish and maintain an aircraft facilities fund for each of the facilities described in section 2, subdivisions 5 and 6. Except for amounts required by the commissioner to be deposited in a debt service account, proceeds of each issue of bonds authorized under section 2, subdivision 1, must be deposited in a separate account, debt service reserve, or other account designated by the commissioner. The commissioner or the owner of each facility described in section 2, subdivisions 5 and 6, may withdraw proceeds of bonds for application to the appropriated purposes in the manner provided by order of the commissioner or in any indenture authorized by order of the commissioner. The commissioner may establish whatever accounts might be necessary to carry out sections 1 to 15.

Subd. 2. [ACCOUNTS.] The state treasurer or any trustee appointed by the commissioner under sections 1 to 15 shall maintain

permanently on official books and records debt service accounts separate from all other funds and accounts, to record all receipts and disbursements of money for principal and interest payments on each series of bonds. No later than the due date of each principal and interest payment on the bonds, the commissioner shall withdraw from the proceeds of the bonds, or from revenues on hand and available for the purpose, and shall deposit in the debt service accounts the amount, if any, required in the account by the order of the commissioner or any indenture authorized by an order of the commissioner. All amounts in any debt service account are appropriated for the payment of principal, premiums, and interest for the bonds to which the account relates.

Sec. 12. [116R.12] [POWERS AND DUTIES OF TRUSTEE.]

Subdivision 1. [GENERAL.] The trustee, if any, designated in any indenture or order securing an issue of bonds may, in the trustee's own name, if so provided in the indenture or order:

(1) enforce all rights of the bondholders, including the right to require the commissioner to collect fees, charges, interest, and payments on leases, loans, or interests therein held by the commissioner and eligible securities purchased by it adequate to carry out any agreement as to, or pledge of, those fees, charges, and payments, and to require the commissioner to carry out any other agreements with the holders of the bonds and to perform the duties required under sections 1 to 15;

(2) bring suit upon the bonds;

(3) require the commissioner to account as if it were the trustee of any express trust for the holders of the bonds;

(4) enjoin any acts or things which may be unlawful or in violation of the rights of holders of the bonds; or

(5) upon a default as defined in any bond, order, or indenture, declare all the bonds due and payable, enforce any remedy available under law, and if all defaults are made good, the trustee may annul the declaration and consequences.

Subd. 2. [ADDITIONAL POWERS.] In addition to the powers in subdivision 1, the trustee has all of the powers necessary or appropriate for the exercise of any functions specifically set forth in this section or incident to the general representation of bondholders in the enforcement and protection of their rights.

Subd. 3. [VENUE.] The venue of any action or proceedings brought by a trustee is in Ramsey county.

Sec. 13. [116R.13] [DEBT SERVICE RESERVE ACCOUNT.]

Subdivision 1. [AUTHORITY.] The commissioner or a trustee appointed by the commissioner may create, maintain, and establish a special account or accounts for the security of one or more or all series of the bonds, which accounts are known as debt service reserve accounts. The commissioner may pay into each debt service reserve account:

(1) any money appropriated by the state only for the purposes of that account;

(2) any proceeds of sale of bonds to the extent provided in the order or indenture authorizing their issuance;

(3) any money directed to be transferred by the commissioner to that debt service reserve account; and

(4) any other money made available to the commissioner for the purpose of that account from any other source.

Subd. 2. [USE OF MONEY.] The money held in or credited to each debt service reserve account, except as provided in this section, must be used solely for the payment of the principal of bonds of the commissioner as the bonds mature or otherwise become due, the purchase of the bonds, the payment of interest on the bonds, the payment of any premium required when the bonds are redeemed before maturity, or any rebate amounts owing to the United States government in accordance with any applicable covenant to comply with federal tax laws; provided, that money in a debt service reserve account may not be withdrawn at any time in an amount which would reduce the amount of the account to less than any amount which the commissioner determines to be reasonably necessary for the purposes of the account, except for the purpose of paying principal, premium, or interest due on bonds secured by the account, for the payment of which other money is not available.

Subd. 3. [GENERAL OBLIGATION BONDS.] (a) If the amount in any debt service reserve account falls below the minimum required in an order of the commissioner or indenture for the applicable series of bonds and the order or indenture so provides, the commissioner shall issue as promptly as practicable, but in no event later than six months after the occurrence of the deficiency, general obligation bonds in accordance with the Minnesota Constitution, article XI, section 7, and section 2, subdivision 4; section 16A.641, subdivisions 1 to 4 and 6 to 13; section 16A.66, section 16A.672; and section 16A.675, except as otherwise provided in this section and unless provision is made for restoring the deficiency from other sources. Section 16A.641, subdivision 5, does not apply to the issuance of bonds authorized under this subdivision. Proceeds of the bonds not required for payment of costs related to the issuance of the

bonds must be deposited in the debt service reserve account, except that accrued interest must be deposited as provided in section 16A.641, subdivision 7, paragraph (b).

(b) The underwriting discount, spread, or commission paid or allowed to the underwriters or placement agents of deficiency bonds and bonds described in section 2, subdivision 4, paragraph (a), must be an amount not in excess of the amount determined by the commissioner to be reasonable in light of the risk assumed and the expense of issuance, if any, required to be paid by the underwriters, placement agents, or prevailing market conditions and practices.

Subd. 4. [LIMITATION.] If the commissioner creates a debt service reserve account for the security of any series of bonds, the commissioner may not issue any additional bonds which are similarly secured if the amount of any of the debt service reserve accounts at the time of issuance does not equal or exceed the minimum amount, if any, required by the resolution creating that account, unless the commissioner deposits in each account at the time of issuance, from the proceeds of the bonds or otherwise, an amount which, together with the amount then in the account, will not be less than the minimum amount required.

Subd. 5. [EXCESS MONEY.] To the extent consistent with the orders and indentures securing outstanding bonds, the commissioner may, at the close of any fiscal year, transfer to any other account from any debt service reserve account, any excess in that account over the amount considered by the commissioner to be reasonably necessary for the purpose of the account.

Subd. 6. [CONSTRUCTION.] Nothing in this section may be construed to limit the right of the commissioner to create and establish by order or indenture other accounts or security in addition to debt service reserve accounts which are necessary or desirable in connection with any bonds or programs.

Sec. 14. [116R.14] [CONSTRUCTION.]

Sections 1 to 15 are necessary for the welfare of the state of Minnesota and its inhabitants; therefore, they shall be liberally construed to effect their purpose.

Sec. 15. [116R.15] [SEVERABILITY; ACTIONS.]

Each of the provisions of sections 1 to 15, and each application thereof to particular circumstances, is severable. If any provision or application is found to be unconstitutional and void, it is the intention that the remaining provisions and applications shall be valid and enforceable to the full extent possible under section 645.20.

Sec. 16. [116R.16] [TECHNICAL ADVISORY COMMITTEE.]

Subdivision 1. [MEMBERSHIP.] The commissioner of trade and economic development shall establish a technical advisory committee. For the facilities described in section 2, subdivisions 5 and 6, the advisory committee shall provide project oversight to the affected jurisdictions regarding project status, effectiveness, and financial conditions. The advisory committee consists of the following members:

(1) a representative of the department of trade and economic development appointed by the commissioner to act as chair of the advisory committee;

(2) a representative of the metropolitan airports commission appointed by the metropolitan airports commission;

(3) a representative of the city of Duluth appointed by the mayor of Duluth;

(4) a representative of St. Louis county appointed by the St. Louis county board of commissioners;

(5) a representative of the city of Hibbing appointed by the mayor of Hibbing; and

(6) a representative of the city of Chisholm appointed by the mayor of Chisholm.

Subd. 2. [TERMS.] The membership terms, removal, and filling of vacancies is as provided in section 15.059.

Subd. 3. [DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT DUTIES.] The commissioner of trade and economic development shall monitor, evaluate, and prepare reports on the progress and financial status of the facilities described in section 2, subdivisions 5 and 6; convene meetings of the advisory committee on a quarterly basis; and provide information and assistance to the advisory committee as is reasonably necessary.

Subd. 4. [REPORTS.] The commissioner of trade and economic development shall submit an annual report to the legislature by January 1 of each year and provide other reports to the individually represented jurisdictions as appropriate.

Sec. 17. Minnesota Statutes 1990, section 360.013, subdivision 5, is amended to read:

Subd. 5. "Airport" means any area, of land or water, except a restricted landing area, which is designed for the landing and

takeoff of aircraft, whether or not facilities are provided for the shelter, surfacing, or repair of aircraft, or for receiving or discharging passengers or cargo, and all appurtenant areas used or suitable for airport buildings or other airport facilities, including facilities described in section 2, subdivision 6, and all appurtenant rights of way, whether heretofore or hereafter established.

Sec. 18. Minnesota Statutes 1990, section 360.032, subdivision 1, is amended to read:

Subdivision 1. [ACQUISITION.] Every municipality is hereby authorized, through its governing body, to acquire property, real or personal, for the purpose of establishing, constructing, and enlarging airports and other air navigation facilities and to acquire, establish, construct, enlarge, improve, maintain, equip, operate, and regulate such airports and other air navigation facilities and structures and other property incidental to their operation, either within or without the territorial limits of such municipality and within or without this state; to make, prior to any such acquisition, investigations, surveys, and plans; to construct, install, and maintain airport facilities for the servicing and repair of aircraft and facilities authorized under section 2, subdivision 6, and for the comfort and accommodation of air travelers; and to purchase and sell equipment and supplies as an incident to the operation of its airport properties. It may not acquire, or take over any airport or other air navigation facility owned or controlled by any other municipality of the state without the consent of such municipality. It may use for airport purposes any available property that is now or may at any time hereafter be owned or controlled by it. Such air navigation facilities as are established on airports shall be supplementary to and coordinated in design and operation with those established and operated by the federal and state governments. It may assist other municipalities in the construction of approach roads leading to any airport or restricted landing area owned or controlled by it. In financing the facilities authorized under section 2, subdivision 6, it may borrow from the state or otherwise arrange for financing of the facilities and for that purpose may exercise powers vested in a municipality under sections 469.152 to 469.165.

Sec. 19. Minnesota Statutes 1990, section 360.038, subdivision 4, is amended to read:

Subd. 4. [LEASED PROPERTY.] To lease for a term not exceeding 30 years such airports or, other air navigation facilities or facilities authorized under section 2, subdivision 2, or real property acquired or set apart for airport purposes, to private parties, any municipal or state government or the national government, or any department of either thereof, for operation; to lease or assign for a term not exceeding 99 years to private parties, any municipal or state government, or the national government, or any department of either thereof, for operation or use consistent with the purposes of

sections 360.011 to 360.076, space, area, improvements, or equipment on such airports; notwithstanding any other provisions in this subdivision, to lease ground area for a term not exceeding 99 years to private persons for the construction of structures which in its opinion are essential and necessary to serve aircraft, persons and things engaged in or incidental to aeronautics, including but not limited to shops, hangars, offices, restaurants, hotels, motels, factories, storage space, and any and all other structures necessary or essential to and consistent with the purposes of sections 360.011 to 360.076, to sell any part of such airports, other air navigation facilities, or real property to any municipal or state government, or to the United States or any department or instrumentality thereof, for aeronautical purposes incidental thereto, and to confer the privileges of concessions of supplying upon its airports goods, commodities, things, services, and facilities; provided that in each case in so doing the public is not deprived of its rightful, equal, and uniform use thereof.

Sec. 20. Minnesota Statutes 1990, section 473.608, subdivision 1, is amended to read:

Subdivision 1. The corporation, subject to the conditions and limitations prescribed by law, shall possess all the powers as a body corporate necessary and convenient to accomplish the objects and perform the duties prescribed by sections 473.601 to 473.679, including but not limited to those hereinafter specified. These powers, except as limited by section 473.622, may be exercised at any place within 35 miles of the city hall of either Minneapolis or St. Paul, and in the metropolitan area, and in the city of Duluth for the purpose of owning, leasing, constructing, equipping, operating, borrowing money from the state for, or otherwise financing the facility described in section 2, subdivision 5.

A state loan to finance the facility described in section 2, subdivision 5, must be made on terms and conditions as the commissioner of finance, the commissioner of trade and economic development, and the commission determine to be appropriate. The state loan is not subject to and may not be counted against any limitation on the principal amount of revenue bonds or general obligation revenue bonds that the commission may issue under sections 473.601 to 473.679.

Sec. 21. [PURPOSE.]

The purpose of sections 1 to 16 is to foster long-term economic growth and job creation by financing an aircraft maintenance facility and an aircraft engine repair facility, to encourage and facilitate the retention and expansion of airports and other air navigation facilities, airline corporations' facilities, operations and services in the state; to prevent the loss of jobs, and encourage and promote the creation of additional jobs in the state in the airline

industry and in other businesses in the state served or affected by the airline industry; to promote the continued growth, and reduce the potential for and effects of a decline of economic activity in the state; and to ensure the preservation, growth, and diversification of the tax base of the state. State bonds are authorized to be issued and the proceeds of their sale are appropriated under the authority of the Minnesota Constitution, article XI, section 5, clauses (a) and (g). In authorizing the financing of the aircraft facilities, the legislature is acting in all respects for the benefit of the people of the state of Minnesota to serve the public purpose of fostering economic development within the state.

Sec. 22. [EFFECTIVE DATE; LOCAL APPROVAL.]

Section 2, subdivision 4, paragraph (b), is effective on the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of St. Louis county. Sections 1 to 16 are effective the day following final enactment and shall apply to bonds issued to finance a project or projects for which the lease agreement was entered into before December 31, 1991.

ARTICLE 2

METROPOLITAN AIRPORTS COMMISSION

Section 1. [473.6021] [PUBLIC NECESSITY AND PURPOSE FOR ISSUANCE OF BONDS.]

In order to accomplish the public purposes set forth in section 473.602; to encourage and facilitate the retention and expansion of airline corporations' facilities, operations, and services in the metropolitan area and the state; to prevent the loss of jobs and encourage and promote the creation of additional jobs in the state in the airline industry and in other businesses in the state served or affected by the airline industry; to promote the continued growth, and reduce the potential for and effects of a decline of economic activity in the metropolitan area and the state; and to ensure the preservation, growth, and diversification of the tax base of the metropolitan area and the state; it is necessary and appropriate and in the public interest to authorize the commission to take the actions described in section 473.667, subdivision 11, and section 3.

Sec. 2. Minnesota Statutes 1990, section 473.667, is amended by adding a subdivision to read:

Subd. 11. [ADDITIONAL BONDS.] (a) The commission may issue general obligation revenue bonds for the purposes of:

(1) acquiring by purchase real and personal properties located within the metropolitan area that are related to airline operations

to be leased to airline corporations, or to other corporations affiliated by common ownership with airline corporations, for use in connection with their airline operations, including real and personal properties for use as flight training facilities; and

(2) financing or refinancing the costs of real and personal properties owned by the commission to be leased to airline corporations and used in connection with the operations of the airline corporations at airports under the commission's jurisdiction.

Prior to the issuance of the general obligation revenue bonds, the commission shall enter into a lease with the airline corporations, or with other corporations affiliated by common ownership with airline corporations, for the use of the acquired real and personal properties referenced in clause (1), and shall enter into a revenue agreement with the airline corporation for the use of the properties financed or refinanced referenced in clause (2).

(b) In addition to the covenants and agreements otherwise required or negotiated by the commission, the leases and revenue agreements for the properties must contain covenants and agreements by the airline corporation, and if the user is not the airline corporation, also by the airline corporation, satisfactory to the commission providing for:

(1) the payment of rents in amounts and at times adequate to pay the principal and interest as due on the general obligation revenue bonds issued to acquire, finance, or refinance the properties and to pay the commission's costs and expenses of issuing the bonds and acquiring and owning the properties, and otherwise satisfying the requirements of section 469.155, subdivision 5;

(2) the adequate security for payment of rents so that the net unencumbered value of the leased property described in paragraph (a), clause (1), and other collateral pledged to the commission from time to time by the airline corporation, as independently appraised at the time of issuance and periodically to the satisfaction of the commission during the term of the general obligation revenue bonds, is a percentage of the principal amount of the outstanding general obligation revenue bonds under this subdivision as determined by the commission; provided that the percentage determined by the commission must not be less than 125 percent;

(3) the retention and location of employees, operations, domestic and international, and facilities, including headquarters, of the airline corporation in the metropolitan area and the state for periods that may exceed the term of the lease and aircraft noise abatement; and

(4) early repayment, or the establishment of a defeasance account to provide for timely repayment, of the general obligation revenue

bonds upon the occurrence of events and upon terms and conditions as are satisfactory to the commission, together with financial requirements and covenants satisfactory to the commission.

(c) The purchase price of the acquired properties described in paragraph (a), clause (1), must be in an amount equivalent to a percentage of its then fair market value as determined by the commission; provided that the percentage shall not exceed 85 percent. The portion of the general obligation revenue bonds attributable to the financing or refinancing of the property described in paragraph (a), clause (2), must be in an amount equivalent to a percentage of its then fair market value as determined by the commission; provided that the percentage shall not exceed 85 percent. The principal amount of the general obligation revenue bonds issued under this subdivision, including any debt service reserve account or other reserve account, is limited to \$270,000,000 in excess of the amount authorized by subdivision 2; provided that the sum of the original principal amounts of the general obligation revenue bonds issued under this subdivision, and the revenue bonds issued under section 3, shall not exceed \$390,000,000. Before the commission may issue the general obligation revenue bonds described in this subdivision, the commission shall have received, in form and substance satisfactory to the commission, reports described in section 3, subdivision 3, relating to the general obligation revenue bonds.

Sec. 3. [473.6671] [REVENUE BONDS.]

Subdivision 1. [AUTHORIZATION.] (a) The commission may issue revenue bonds for the purpose of:

(1) acquiring by purchase real and personal properties located within the metropolitan area that are related to airline operations to be leased to airline corporations, or to other corporations affiliated by common ownership with airline corporations, for use in connection with their airline operations, including real and personal properties for use as flight training facilities; and

(2) financing or refinancing the costs of real and personal properties owned by the commission to be leased to airline corporations and used in connection with the operations of the airline corporations at airports under the commission's jurisdiction.

Prior to the issuance of the revenue bonds, the commission shall enter into a lease with the airline corporations, or with other corporations affiliated by common ownership with airline corporations, for the use of such acquired real and personal properties referenced in clause (1), and shall enter into a revenue agreement with the airline corporation for the use of the properties financed or refinanced referenced in clause (2).

(b) In addition to the covenants and agreements otherwise required or negotiated by the commission, the leases and revenue agreements for the properties must contain covenants and agreements by the airline corporation, and if the user is not the airline corporation, also by the airline corporation, satisfactory to the commission providing for:

(1) the payment of rents in amounts and at times adequate to pay the principal and interest as due on the revenue bonds issued to acquire, finance, or refinance the properties and to pay the commission's costs and expenses of issuing the bonds and acquiring and owning the properties, and otherwise satisfying the requirements of section 469.155, subdivision 5;

(2) the retention and location of employees, operations, domestic and international, and facilities, including headquarters, of the airline corporation in the metropolitan area and the state for periods that may exceed the term of the lease and aircraft noise abatement; and

(3) early repayment, or the establishment of a defeasance account to provide for timely repayment, of the general obligation revenue bonds upon the occurrence of events and upon terms and conditions as are satisfactory to the commission, together with financial requirements and covenants satisfactory to the commission.

(c) The sum of the original principal amounts of the revenue bonds issued under this subdivision, and the general obligation revenue bonds issued under section 473.667, subdivision 11, shall not exceed \$390,000,000. Except as provided in this section, the revenue bonds must be issued in the manner and are subject to the requirements of chapter 475; provided that compliance with the requirements of section 475.60 is at the discretion of the commission.

Subd. 2. [SECURITY AND SOURCE OF PAYMENT.] The revenue bonds described in subdivision 1 are payable solely from and secured by the revenues derived by the commission from the leases upon the properties described in subdivision 1, paragraph (a), clause (1), the revenue agreements upon the properties described in subdivision 1, paragraph (a), clause (2), and other revenues as the commission may designate and pledge which are derived from the ownership and operation of its airports, air navigation facilities and other facilities; provided that the pledge and application of all revenues to the payment and security of the revenue bonds are subject and subordinate to the first and prior charge thereon for the payment and security of the commission's general obligation revenue bonds as provided in section 473.667. The revenue bonds shall not be payable from or charged upon any funds or assets of the commission other than the commission revenues expressly pledged to their payment. An owner of the revenue bonds may not compel any exercise of the taxing power of the commission, the state, or any

other taxing jurisdiction. Each bond must state in substance the limited nature of the obligations. The revenue bonds may be further secured by an assignment of leases with respect to the properties acquired, financed, or refinanced by the revenue bonds, and (i) with respect to the properties described in subdivision 1, paragraph (a), clause (1), by a mortgage and security agreement upon the properties and by other collateral as is pledged to secure the obligations of the airline corporation or other lessee under the leases on the properties, and (ii) with respect to the properties described in subdivision 1, paragraph (a), clause (2), by other collateral as is pledged to secure the obligations of the airline corporation under the revenue agreements. In the resolution or other instrument providing for the issuance of the revenue bonds, the commission may provide for or require the creation of accounts from sources specified by the commission for the payment and security of the revenue bonds, including a debt service reserve account, separate from the accounts maintained for payment of the general obligation revenue bonds. The sources specified by the commission may include a portion of the proceeds of revenue bonds or payment by the airline corporation. The leases described in subdivision 1, paragraph (a), clause (1), and the revenue agreements described in subdivision 1, paragraph (a), clause (2), must provide that if the commission determines to pledge any of its revenues to secure the revenue bonds, including revenues deposited into a debt service reserve account for the revenue bonds, the airline corporation concurrently shall pledge assets to the commission as security for repayment of the pledged revenues so that the net unencumbered values of the pledged assets, as independently appraised at the time of issuance and periodically to the satisfaction of the commission during the term of the revenue bonds, is a percentage of the amount of commission revenues so pledged as determined by the commission; provided that the percentage shall not be less than 125 percent.

Subd. 3. [DUE DILIGENCE CONDITIONS.] Before the commission may issue the revenue bonds described in subdivision 1, the commission and the commissioner of finance must receive, in form and substance satisfactory to the commission:

(1) a report of audit of the commission's financial records for the fiscal year most recently ended or, if this is not yet available, a report for the preceding year, prepared by a nationally recognized firm of certified public accountants, showing that the net revenues received that year, computed as the gross receipts less any refunds of rates, fees, charges, and rentals for airport and air navigation facilities and service, and less the aggregate amount of current expenses, paid or accrued, of operation and maintenance of property and carrying on the commission's business and activities, equaled or exceeded the maximum amount of then outstanding bonds of the commission and interest thereon to become due in any future fiscal year;

(2) a written report, prepared by a nationally recognized consultant on airport management and financing engaged by the commission, on the financial condition of the airline corporation, and any corporations affiliated with the corporation by common ownership, projecting available revenues of the airline corporation at least sufficient during each year of the term of the proposed revenue bonds to pay when due all financial obligations of the airline corporation under the revenue agreements and leases described in subdivision 1 and stating the factors on which the projection is based; and

(3) a written report prepared by a nationally recognized consultant on airport management and financing, projecting available revenues of the commission at least sufficient during each year of the term of the proposed revenue bonds to pay all principal and interest when due on the revenue bonds, and stating the estimates of air traffic, rate increases, inflation, and other factors on which the projection is based.

Sec. 4. Minnesota Statutes 1990, section 473.667, is amended by adding a subdivision to read:

Subd. 12. [BONDS FOR HEAVY MAINTENANCE FACILITY.] (a) The commission may issue general obligation revenue bonds for the purpose of constructing a heavy maintenance facility for aircraft to be located at Minneapolis-St. Paul International Airport. The heavy maintenance facility must be owned by the commission and leased to and operated by airline corporations, for use by airline corporations in connection with their airline operations. The principal amount of the general obligation revenue bonds issued under this subdivision, including any debt service reserve account or any other reserve account, is limited to \$230,000,000 in excess of the amount authorized by subdivision 2.

(b) To reduce the risk that commission money, including a property tax levy, will be needed to pay debt service on the general obligation revenue bonds, the commission must require that the financing arrangements include a coverage test satisfactory to the commission, so that the sum of the value of the assets and other security pledged to the payment of the general obligation revenue bonds or the rent due under any lease of the facility and taken into account by the commission is no less than 125 percent of the outstanding general obligation revenue bonds. Assets and other security that may be taken into account include (1) the net unencumbered value of the facility and any collateral or third party guaranty, including a letter of credit, pledged or otherwise furnished by a user of the facility or by a benefitted airline company as security for the payment of rent, (2) general obligation revenue bond proceeds, including earnings thereon, and (3) prepayments of rent, after making such adjustments the commission determines to be appropriate to take into account any outstanding bonds secured by

a lien on the facility or rent that is prior to the lien thereon that is securing the general obligation revenue bonds. The commission may adopt the method of valuing the assets and other security it determines to be appropriate, including valuation of the facility as its original cost less depreciation.

Sec. 5. [APPROVAL REQUIRED.]

Before issuing bonds using the additional bonding authority under sections 2 and 3, the commission shall submit the proposed issuance to the commissioners of finance and revenue for their review and approval or disapproval. The commission may not issue the bonds without the commissioners' approval.

Sec. 6. [EFFECTIVE DATES; APPLICATION.]

Sections 1 to 4 are effective the day following final enactment and shall apply to bonds issued before December 31, 1991, and bonds issued to refund the bonds. This article applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Amend the title accordingly

And when so amended the bill be re-referred to the Committee on Rules and Legislative Administration without further recommendation.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

S. F. No. 269, A bill for an act relating to liquor; requiring posting of certain signs in licensed premises; amending Minnesota Statutes 1990, section 340A.410, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 25, delete everything after "(c)"

Page 2, line 1, delete everything before "The"

Page 2, line 3, delete "The commissioner"

Page 2, delete lines 4 and 5 and insert:

“Sec. 2. [APPROPRIATION.]

\$50,000 is appropriated from the general fund to the city of St. Paul and the Dayton's Bluff Historic Association for the purchase and partial rehabilitation of the Warren Burger home.”

Amend the title as follows:

Page 1, line 3, 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. 510, A bill for an act relating to agriculture; changing the egg law; imposing a penalty; amending Minnesota Statutes 1990, sections 29.21, by adding subdivisions; 29.23; 29.235; 29.26; and 29.27; proposing coding for new law in Minnesota Statutes, chapter 29.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 29.21, is amended by adding a subdivision to read:

Subd. 4. [CHECKS.] “Checks” means eggs that have cracks or breaks in the shell but have intact shell membranes that do not leak.

Sec. 2. Minnesota Statutes 1990, section 29.21, is amended by adding a subdivision to read:

Subd. 5. [DIRTIES.] “Dirties” means eggs with adhering dirt, foreign material, prominent stains, or moderate stains covering more than 1/32 of the shell surface, if localized, or 1/16 of the shell surface, if scattered.

Sec. 3. Minnesota Statutes 1990, section 29.21, is amended by adding a subdivision to read:

Subd. 6. [EGG HANDLER.] “Egg handler” means a person who buys, sells, transports, stores, processes, or in any other way receives or has shell eggs. This includes farmers who sell candled and graded eggs off their premises.

Sec. 4. Minnesota Statutes 1990, section 29.21, is amended by adding a subdivision to read:

Subd. 7. [GRADING.] “Grading” means assigning an identifying classification to a group of eggs that demonstrates that those eggs have the same degree of quality.

Sec. 5. Minnesota Statutes 1990, section 29.21, is amended by adding a subdivision to read:

Subd. 8. [INCUBATOR REJECTS.] “Incubator rejects” means eggs that have been subjected to incubation and have been removed during the hatching operation as infertile or otherwise unhatchable.

Sec. 6. Minnesota Statutes 1990, section 29.21, is amended by adding a subdivision to read:

Subd. 9. [LEAKERS.] “Leakers” means eggs that have a crack or break in the shell and shell membrane to the extent that the contents pass or are free to pass through the shell.

Sec. 7. Minnesota Statutes 1990, section 29.21, is amended by adding a subdivision to read:

Subd. 10. [LOSS.] “Loss” means eggs that are unfit for human consumption because they are smashed, broken, leaking, overheated, frozen, contaminated, or incubator rejects, or because they contain bloody whites, large meat spots, a large quantity of blood, or other foreign material.

Sec. 8. Minnesota Statutes 1990, section 29.21, is amended by adding a subdivision to read:

Subd. 11. [RESTRICTED EGGS.] “Restricted eggs” means eggs that contain dirties, checks, leakers, inedibles, loss, and incubator rejects.

Sec. 9. Minnesota Statutes 1990, section 29.23, is amended to read:

29.23 [GRADING; GRADES, WEIGHT CLASSES AND STANDARDS FOR QUALITY.]

Subdivision 1. [GRADES, WEIGHT CLASSES AND STANDARDS FOR QUALITY.] All eggs purchased on the basis of grade by

the first licensed buyer shall be graded in accordance with grade and weight classes established by the commissioner. The commissioner shall establish, by rule, and from time to time, may amend or revise, grades, weight classes, and standards for quality. When grades, weight classes, and standards for quality have been fixed by the secretary of the department of agriculture of the United States, they may be accepted and published by the commissioner as definitions or standards for eggs in interstate commerce.

Subd. 2. [EQUIPMENT.] The commissioner shall also by rule provide for minimum plant and equipment requirements for candling, grading, handling and storing eggs, and shall define candling. Equipment in use before the effective date of this chapter that does not meet the design and fabrication requirements of this chapter may remain in use if it is in good repair, capable of being maintained in a sanitary condition, and capable of maintaining a temperature of 50 degrees Fahrenheit (10 degrees celsius) or less.

Subd. 3. [EGG TEMPERATURE.] ~~It shall be mandatory that~~ Eggs must be held at a temperature not to exceed ~~60~~ 50 degrees Fahrenheit (10 degrees celsius) after being received by the ~~first licensed dealer egg handler~~ except for cleaning, sanitizing, grading, and further processing when they must immediately be placed under refrigeration that is maintained at 45 degrees Fahrenheit (7 degrees celsius) or below. Eggs offered for retail sale must be held at a temperature not to exceed 45 degrees Fahrenheit (7 degrees celsius). After August 1, 1992, eggs offered for retail sale must be held at a temperature not to exceed 45 degrees Fahrenheit (7 degrees celsius). Equipment in use prior to August 1, 1991, is not subject to this requirement.

Subd. 4. [VEHICLE TEMPERATURE.] A vehicle used for the transportation of shell eggs from a warehouse, retail store, candling and grading facility, or egg holding facility must have an ambient air temperature of 50 degrees Fahrenheit (10 degrees celsius) or below.

Sec. 10. Minnesota Statutes 1990, section 29.235, is amended to read:

29.235 [SALE OF SHELL EGGS.]

Subdivision 1. [RESTRICTION.] Checks and dirties ~~as defined by the commissioner, shall~~ must not be sold for human consumption as shell eggs, but may be sold as such to be processed for human consumption by a processor licensed by the commissioner to break eggs for resale, except that a producer may sell such shell eggs of the producer's own production on the producer's premises directly to a household consumer for the consumer's own personal use.

Subd. 2. [PACKAGE LABEL.] All eggs offered for sale in cartons,

boxes or cases, racks, or other packaging materials must contain the statement: "Perishable. Keep Refrigerated."

Sec. 11. [29.236] [EGGS IN UNCOOKED OR UNDERCOOKED FOODS.]

Pasteurized eggs must be used in uncooked or undercooked food or food containing unpasteurized eggs must be processed under a method approved by the commissioner sufficient to destroy the pathogen salmonella. This section does not exclude the use of shell eggs certified free of pathogens by a process or mechanism approved by the commissioner.

Sec. 12. [29.237] [UNIFORMITY WITH FEDERAL LAW.]

Subdivision 1. [SHELL EGGS.] Federal regulations governing the grading of shell eggs and United States standards, grades, and weight classes for shell eggs, in effect on July 1, 1990, as provided by Code of Federal Regulations, title 7, part 56, are the grading and candling rules in this state, subject to amendment by the commissioner under chapter 14, the Administrative Procedure Act.

Subd. 2. [INSPECTION.] Federal regulations governing the inspection of eggs and egg products, in effect on May 1, 1990, as provided by Code of Federal Regulations, title 7, part 59, are the inspection of egg and egg products rules in this state, subject to amendment by the commissioner under chapter 14, the Administrative Procedure Act.

Sec. 13. Minnesota Statutes 1990, section 29.26, is amended to read:

29.26 [EGGS IN POSSESSION OF RETAILER.]

All eggs sold or offered for sale at retail must have been candled and graded and must be clearly labeled according to Minnesota consumer grades as established by rule under section 29.23. No eggs shall be sold or offered for sale as "ungraded," "unclassified," or by any other name that does not clearly designate the grade. All eggs in possession of the retailer, either in temporary storage or on display, must be held at a temperature not to exceed 60 45 degrees Fahrenheit (7 degrees celsius).

Candled and graded eggs held 31 days past the coded pack date lose their grades and must be removed from sale.

Sec. 14. Minnesota Statutes 1990, section 29.27, is amended to read:

29.27 [RULES.]

The department may supervise, regulate, and, in the manner provided by law make reasonable rules relative to grading, candling, cleaning, breaking, purchasing, and selling of eggs and egg products for purpose of preserving and protecting the public health. In addition hereto, it is the express purpose herein that inasmuch as the breaking of eggs for resale is a matter of state concern, the surroundings in which such product is handled ~~should~~ must be maintained in a sanitary condition, and, therefore, the department may establish, in the manner provided by law, reasonable rules relative to the inspection of all establishments wherein the business of breaking eggs for resale is maintained, and when the sanitary conditions of any such establishment are such that the product is rendered, or is likely to be rendered, unclean, unsound, unhealthful, unwholesome, or otherwise unfit for human consumption, it may revoke such license to break eggs for resale until such time as the department is satisfied that the establishment is maintained in a sanitary condition. The department shall have the right, from time to time, to adopt ~~different~~ rules in the same manner as herein set forth. All liquid, frozen or dried egg products sold or offered for sale shall be processed under continuous supervision of an inspector of the department or of the United States Department of Agriculture.

Sec. 15. Minnesota Statutes 1990, section 29.28, is amended to read:

29.28 [VIOLATIONS, PENALTIES.]

Any A person found guilty of any violation of sections 29.21 to 29.28 shall, upon conviction for the first offense, be violating this chapter is guilty of a misdemeanor and shall be fined \$25; for the second offense, the person shall be guilty of a misdemeanor and shall be fined \$100; and for the third and subsequent offenses the person shall be guilty of a gross misdemeanor and shall be fined \$200. In addition to such fines, the court for second offense shall suspend the person's license for 30 days; and for the third and any subsequent offense, such person's license shall be revoked for a period of one year. Each day a violation continues is a separate offense.

Sec. 16. [EFFECTIVE DATE.]

This act is effective July 1, 1991."

Delete the title and insert:

"A bill for an act relating to agriculture; changing the egg law; imposing a penalty; amending Minnesota Statutes 1990, sections 29.21, by adding subdivisions; 29.23; 29.235; 29.26; and 29.27; proposing coding for new law in Minnesota Statutes, chapter 29."

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. 525, A bill for an act relating to crimes; expanding the definition of drug free zones to include public housing property; increasing the area affected from within 300 feet to within 1,000 feet of a school or park boundary for purposes of increasing penalties for sale or possession of controlled substances; increasing penalties for sale or possession of methamphetamine ("ice"), amphetamine, and sale of marijuana, within a school zone, park zone, or public housing zone; changing the name and duties of the drug abuse prevention resource council; requiring chemical use assessments of persons convicted of felonies; amending Minnesota Statutes 1990, sections 152.01, subdivisions 12a, 14a, and by adding a subdivision; 152.021, subdivision 1; 152.022, subdivision 1; 152.023, subdivision 2; 152.024, subdivision 1; 152.029; 299A.29, subdivisions 3, 5, and by adding subdivisions; 299A.30; 299A.31, subdivision 1; 299A.32; 299A.34, subdivision 2; 299A.35; 299A.36; and 609.115, by adding a subdivision; repealing Minnesota Statutes 1990, sections 244.095; and 299A.29, subdivisions 2 and 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 152.01, subdivision 14a, is amended to read:

Subd. 14a. [SCHOOL ZONE.] "School zone" means:

(1) any property owned, leased, or controlled by a school district or an organization operating a nonpublic school, as defined in section 123.932, subdivision 3, where an elementary, middle, secondary school, secondary vocational center or other school providing educational services in grade one through grade 12 is located, or used for educational purposes, or where extracurricular or cocurricular activities are regularly provided;

(2) any property owned, leased, or controlled by a public or private post-secondary college, community college, or technical college, and used for educational purposes;

(3) the area surrounding school property as described in clause (1) or (2) to a distance of 300 feet or one city block, whichever distance is greater, beyond the school property; and

(3) (4) the area within a school bus when that bus is being used to transport one or more elementary or secondary school students.

Sec. 2. Minnesota Statutes 1990, section 152.01, is amended by adding a subdivision to read:

Subd. 19. [PUBLIC HOUSING ZONE.] "Public housing zone" means any public housing project or development administered by a local housing agency, except public housing for the elderly or the handicapped, plus the area within 300 feet of the property's boundary, or one city block, whichever distance is greater.

Sec. 3. Minnesota Statutes 1990, section 152.01, is amended by adding a subdivision to read:

Subd. 20. [UNLAWFULLY.] "Unlawfully" means selling, possessing, or possessing with intent to sell a controlled substance in a manner not authorized by law.

Sec. 4. Minnesota Statutes 1990, section 152.022, subdivision 1, is amended to read:

Subdivision 1. [SALE CRIMES.] A person is guilty of controlled substance crime in the second degree if:

(1) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight 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 25 kilograms or more containing marijuana or Tetrahydrocannabinols;

(5) the person unlawfully sells any amount of a schedule I or II narcotic drug to a person under the age of 18, or conspires with or employs a person under the age of 18 to unlawfully sell the substance; or

(6) the person unlawfully sells any amount of a schedule I or II

narcotic drug in a school zone ~~or~~, a park zone, or a public housing zone.

Sec. 5. Minnesota Statutes 1990, section 152.023, subdivision 2, is amended to read:

Subd. 2. [POSSESSION CRIMES.] A person is guilty of controlled substance crime in the third degree if:

(1) the person unlawfully possesses one or more mixtures of a total weight of three grams or more containing cocaine 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 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 a public housing 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. 6. Minnesota Statutes 1990, section 244.095, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) As used in this section, "park zone" ~~and,~~ "school zone," and "public housing zone" have the meanings given them in section 152.01, subdivisions 12a ~~and~~, 14a, and 19.

(b) As used in this section, "controlled substance" has the meaning given in section 152.01, subdivision 4, but does not include a narcotic drug listed in schedule I or II.

Sec. 7. Minnesota Statutes 1990, section 244.095, subdivision 2, is amended to read:

Subd. 2. [AGGRAVATING FACTOR FOR DRUG OFFENSES COMMITTED IN PARK ZONES ~~AND~~, IN SCHOOL ZONES, AND IN PUBLIC HOUSING ZONES.] The commission shall modify the list of aggravating factors contained in the sentencing guidelines so as to authorize the sentencing judge to depart from the presumptive

sentence with respect to either disposition or duration when the following circumstances are present:

(1) the defendant was convicted of unlawfully selling or possessing controlled substances in violation of chapter 152; and

(2) the crime was committed in a park zone ~~or~~, in a school zone, or in a public housing zone.

This aggravating factor shall not apply to a person convicted of unlawfully possessing controlled substances in a private residence located within a school zone ~~or~~, a park zone, or a public housing zone if no person under the age of 18 was present in the residence when the offense was committed.

Sec. 8. Minnesota Statutes 1990, section 299A.30, is amended to read:

Subdivision 1. [OFFICE; ASSISTANT COMMISSIONER.] The office of drug policy is an office in the department of public safety headed by an assistant commissioner appointed by the commissioner to serve in the unclassified service. The assistant commissioner may appoint other employees in the unclassified service. The assistant commissioner shall coordinate the activities of drug program agencies and serve as staff to the alcohol and other drug abuse prevention resource advisory council.

Subd. 2. [DUTIES.] (a) The assistant commissioner shall gather and make available information on demand reduction and supply reduction throughout the state, foster cooperation among drug program agencies, and assist agencies and public officials in training and other programs designed to improve the effectiveness of demand reduction and supply reduction.

(b) The assistant commissioner shall coordinate the distribution of funds received by the state of Minnesota through the federal Anti-Drug Abuse Act. The assistant commissioner may obtain technical assistance from the state planning agency to perform this function. The assistant commissioner shall recommend to the commissioner recipients of grants under sections 299A.33 and 299A.34, after consultation with the alcohol and other drug abuse prevention resource advisory 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, 1993, along with a summary of demand reduction and supply reduction during the preceding calendar year and recommendations regarding the transfer of the functions of the office of drug policy to other state agencies;

(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 including information on drug trends;

(5) facilitate cooperation among drug program agencies; and

(6) coordinate the administration of prevention, criminal justice, and treatment grants.

Sec. 9. Minnesota Statutes 1990, section 299A.31, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; MEMBERSHIP.] ~~A~~ An alcohol and other drug abuse ~~prevention resource~~ advisory 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;~~ public health; education including preschool, elementary, and higher education; social services; financial aid services; chemical dependency treatment; law enforcement; prosecution; defense; the judiciary; corrections; treatment research professionals; drug abuse prevention professionals; the business sector; religious leaders; and community representatives. 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. 10. Minnesota Statutes 1990, section 299A.32, is amended to read:

299A.32 [RESPONSIBILITIES OF COUNCIL.]

Subdivision 1. [PURPOSE OF COUNCIL.] The general purpose of the council is to foster the coordination and development of a statewide drug abuse prevention policy serve as an advisory body to the governor and legislature on all aspects of alcohol and drug abuse.

Subd. 2. [SPECIFIC DUTIES AND RESPONSIBILITIES.] In furtherance of the general purpose specified in subdivision 1, the council has the following duties and responsibilities shall:

(1) it shall develop a coordinated, statewide drug abuse prevention policy assist state agencies in the coordination of drug policies and programs and in the provision of services to other units of government, communities, and citizens;

(2) it shall develop a mission statement that defines the roles and relationships of agencies operating within the continuum of chemical health care promote among state agencies policies to achieve uniformity in state and federal grant programs and to streamline those programs;

(3) it shall develop guidelines for drug abuse prevention program development and operation based on its research and program evaluation activities oversee comprehensive data collection and research and evaluation of alcohol and drug program activities;

(4) it shall assist local governments and groups in planning, organizing, and establishing comprehensive, community-based drug abuse prevention programs and services;

(5) it shall coordinate and provide technical assistance to organizations and individuals seeking public or private funding for drug abuse prevention programs, and to government and private agencies seeking to grant funds for these purposes;

(6) it shall assist providers of drug abuse prevention services in implementing, monitoring, and evaluating new and existing programs and services;

(7) it shall provide information on and analysis of the relative public and private costs of drug abuse prevention, enforcement, intervention, and treatment efforts; and

(8) it shall advise the assistant commissioner of the office of drug policy in awarding grants and in other duties. seek the advice and counsel of appropriate interest groups and advise the assistant commissioner of the office of drug policy;

(5) seek additional private funding for community-based programs and research and evaluation;

(6) evaluate whether law enforcement narcotics task forces should be reduced in number and increased in geographic size, and whether new sources of funding are available for the task forces;

(7) continue to promote clarity of roles among federal, state, and local law enforcement activities; and

(8) establish criteria to evaluate law enforcement drug programs.

Subd. 3. [ANNUAL REPORT.] On or before February 1, 1991, and each year thereafter, the council shall submit a written report to the legislature describing its activities during the preceding year, describing efforts that have been made to enhance and improve utilization of existing resources and to identify deficits in prevention efforts, and recommending appropriate changes, including any legislative changes that it considers necessary or advisable in the area areas of alcohol and other drug abuse prevention policy, programs, or and services.

Sec. 11. Minnesota Statutes 1990, section 485.16, is amended to read:

485.16 [RECORD ALL ACTIONS FILED.]

Subdivision 1. [RECORDS KEPT.] The court administrators of the district courts of the several counties shall keep a record of all actions and proceedings, civil and criminal, filed in the court, and shall furnish to the state appellate courts any information concerning the actions as is prescribed by rule of civil procedure.

Subd. 2. [CRIMINAL DISPOSITIONS REPORTED.] The court administrator of the district court shall report to the supreme court within 30 days after a judge pronounces sentence following a felony conviction. The report must include the sentence pronounced, whether imposition was stayed, and other information requested by the supreme court.

Sec. 12. Minnesota Statutes 1990, section 609.101, is amended by adding a subdivision to read:

Subd. 3. [CONTROLLED SUBSTANCE OFFENSES; MINIMUM FINES.] (a) Notwithstanding any other law, when a court sentences a person convicted of:

(1) a first degree controlled substance crime under section 152.021, it must impose a fine of not less than \$2,500 nor more than the maximum fine authorized by law;

(2) a second degree controlled substance crime under section 152.022, it must impose a fine of not less than \$1,000 nor more than the maximum fine authorized by law;

(3) a third degree controlled substance crime under section 152.023, it must impose a fine of not less than \$750 nor more than the maximum fine authorized by law;

(4) a fourth degree controlled substance crime under section 152.024, it must impose a fine of not less than \$500 nor more than the maximum fine authorized by law; and

(5) a fifth degree controlled substance violation under section 152.025, it must impose a fine of not less than \$300 nor more than the maximum fine authorized by law.

(b) The court may not waive payment of the fine or authorize payment of it in installments unless the court makes written findings on the record that the convicted person is indigent or that the fine would create undue hardship for the convicted person or that person's immediate family.

(c) The minimum fine required by this subdivision is in addition to the surcharge or assessment required by subdivision 1 and is in addition to any term of imprisonment or restitution imposed or ordered by the court.

(d) The court shall collect the fine mandated by this subdivision and forward 70 percent of it to a local drug abuse prevention program existing or being implemented in the county in which the crime was committed. The court shall forward the remaining 30 percent to the state treasurer to be credited to the general fund. If more than one drug abuse prevention program serves the county in which the crime was committed, the court may designate on a case-by-case basis which program will receive the fine proceeds, giving consideration to the community in which the crime was committed, the funding needs of the program, the number of peace officers in each community certified to teach the program, and the number of children served by the program in each community. If no drug abuse prevention program serves communities in that county, the court shall forward 100 percent of the fine proceeds to the state treasurer to be credited to the general fund.

(e) The minimum fines required by this subdivision shall be collected as are other fines. Fine proceeds received by a local drug abuse prevention program must be used to support that program, and may be used for salaries of peace officers certified to teach the program. The drug abuse resistance education program must report receipt and use of money generated under this subdivision as prescribed by the drug abuse resistance education advisory council.

(f) As used in this subdivision, "drug abuse prevention program" and "program" include:

(1) the drug abuse resistance education program described in sections 299A.33 and 299A.331; and

(2) any similar drug abuse education and prevention program that includes the following components:

(A) instruction for students enrolled in kindergarten through grade six that is designed to teach students to recognize and resist pressures to experiment with controlled substances and alcohol;

(B) provisions for parental involvement;

(C) classroom instruction by uniformed law enforcement personnel;

(D) the use of positive student leaders to influence younger students not to use drugs; and

(E) an emphasis on activity-oriented techniques designed to encourage student-generated responses to problem-solving situations.

Sec. 13. Minnesota Statutes 1990, section 609.115, is amended by adding a subdivision to read:

Subd. 8. [CHEMICAL USE ASSESSMENT REQUIRED.] (a) If a person is convicted of a felony, the probation officer shall determine in the report prepared under subdivision 1 whether or not alcohol or drug use was a contributing factor to the commission of the offense. If so, the report shall contain the results of a chemical use assessment conducted in accordance with this subdivision. The probation officer shall make an appointment for the defendant to undergo the chemical use assessment if so indicated.

(b) The chemical use assessment report must 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. The assessment must be conducted by an assessor qualified under rules adopted by the commissioner of human services under section 254A.03, subdivision 3. An assessor providing a chemical use assessment 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 probation officer 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.

Sec. 14. [CHEMICAL USE ASSESSMENT FUNDING.]

The commissioner of human services, in consultation with the commissioner of corrections and the state court administrator, shall appoint a task force of officials of state and local agencies and the judicial branch. The task force shall calculate the additional cost of providing the chemical use assessments of convicted felons required by section 13, and shall report to the legislature by January 1, 1992, its recommendations for funding those assessments.

Sec. 15. [DRUG-IMPAIRED DRIVER STUDY.]

The commissioner of public safety shall study expanding Minnesota's implied consent law to provide for immediate revocation of the driver's license of a driver who tests positive for the presence of a controlled substance. The commissioner shall report to the judiciary committees in the senate and house of representatives by June 1, 1992. If the commissioner determines that this expansion is feasible, the commissioner shall make specific recommendations concerning the following:

(1) the controlled substances that should be included;

(2) for each controlled substance, the threshold amount that should trigger license revocation, with due consideration of the length of time after use that each controlled substance remains detectable, the level of impairment caused by the controlled substance at different levels, and the state of current testing technology for the controlled substance;

(3) the most feasible method of testing drivers for controlled substances, including a recommendation for training of law enforcement and hospital personnel who will be responsible for conducting the testing; and

(4) an estimate of the cost to the state and local governments.

Sec. 16. [GRAND JURY STUDY.]

The supreme court shall study the possibility of expanding the investigative role of the grand jury in Minnesota to facilitate the long-term investigation of complex cases involving controlled substance sales. The supreme court shall report to the judiciary committees in the senate and house of representatives by June 1, 1992, with any appropriate legislative recommendations.

Sec. 17. [APPROPRIATION.]

\$145,000 is appropriated from the general fund to the drug abuse resistance education advisory council to be used to administer the drug abuse resistance education programs. This appropriation is available until June 30, 1993.

Sec. 18. [REPEALER.]

Minnesota Statutes 1990, section 244.095, subdivision 3, is repealed.

Sec. 19. [REPEALER.]

Minnesota Statutes 1990, sections 299A.29 and 299A.30, are repealed August 1, 1993.

Sec. 20. [REPEALER.]

Minnesota Statutes 1990, section 609.101, subdivision 3, is repealed effective July 1, 1993.

Sec. 21. [EFFECTIVE DATE.]

Sections 1 to 6 are effective August 1, 1991, and apply to crimes committed on or after that date. Section 11 is effective August 1, 1991, and applies to convictions occurring on or after that date. Section 13 is effective July 1, 1992, and applies to crimes committed on or after that date.

Delete the title and insert:

“A bill for an act relating to crimes; expanding the definition of drug free zones to include post-secondary and technical colleges and public housing property; changing the name and duties of the drug abuse prevention resource council; requiring reporting of felony convictions; imposing minimum fines in certain controlled substance offenses; requiring chemical use assessments of persons convicted of felonies; requiring studies; appropriating money; amending Minnesota Statutes 1990, sections 152.01, subdivision 14a, and by adding subdivisions; 152.022, subdivision 1; 152.023, subdivision 2; 244.095, subdivisions 1 and 2; 299A.30; 299A.31, subdivision 1; 299A.32; 485.16; 609.101, by adding a subdivision; and 609.115, by adding a subdivision; repealing Minnesota Statutes 1990, sections 244.095, subdivision 3; 299A.29; 299A.30; and 609.101, subdivision 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. 526, A bill for an act relating to crime; sentencing; clarifying and revising the intensive community supervision program; amending Minnesota Statutes 1990, sections 244.05, subdivision 6; 244.12; 244.13; 244.14; and 244.15.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 244.05, subdivision 6, is amended to read:

Subd. 6. ~~[INTENSIVE COMMUNITY SUPERVISION SUPERVISED RELEASE.]~~ The commissioner may order that an inmate be placed on intensive ~~community supervision, as described in sections 244.14 and 244.15,~~ supervised release for all or part of the inmate’s supervised release or parole term if the commissioner determines that the action will further the goals described in section 244.14, subdivision 1, clauses (2), (3), and (4). The commissioner may impose appropriate conditions of release on the inmate including but not limited to unannounced searches of the inmate’s person, vehicle, or premises by an intensive supervised release agent; compliance with court-ordered restitution, if any; random drug testing; house arrest; daily curfews; frequent face-to-face contacts with an assigned intensive supervised release agent; work, education, or treatment requirements; and electronic surveillance. If the inmate violates the conditions of the intensive ~~community supervision supervised release,~~ the commissioner shall impose sanctions as provided in subdivision 3 ~~and section 244.14.~~

Sec. 2. Minnesota Statutes 1990, section 244.09, subdivision 2, is amended to read:

Subd. 2. The sentencing guidelines commission shall consist of the following:

- (1) the chief justice of the supreme court or a designee;
- (2) one judge of the court of appeals, appointed by the chief justice of the supreme court;
- (3) one district court judge appointed by the chief justice of the supreme court;
- (4) one public defender appointed by the governor upon recommendation of the state public defender;

(5) one county attorney appointed by the governor upon recommendation of the board of ~~governors~~ directors of the Minnesota county attorneys council association;

(6) the commissioner of corrections or a designee;

(7) one peace officer as defined in section 626.84 appointed by the governor;

(8) one probation officer or parole officer appointed by the governor; and

(9) three public members appointed by the governor, one of whom shall be a victim of a crime defined as a felony.

When an appointing authority selects individuals for membership on the commission, the authority shall make reasonable efforts to appoint qualified members of protected groups, as defined in section 43A.02, subdivision 33.

One of the members shall be designated by the governor as chair of the commission.

Sec. 3. Minnesota Statutes 1990, section 244.12, is amended to read:

244.12 [INTENSIVE COMMUNITY SUPERVISION.]

Subdivision 1. [GENERALLY.] ~~The commissioner may order that an inmate be placed on intensive community supervision, as described in sections 244.14 and 244.15, for all or part of the inmate's supervised release term. Additionally, The commissioner may order that an offender who meets the eligibility requirements of subdivisions 2 and 3 be placed on intensive community supervision, as described in sections 244.14 and 244.15, for all or part of the offender's prison sentence if the offender agrees to participate in the program and if the sentencing court approves in writing of the offender's participation in the program.~~

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; and

(3) (2) 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~~ sentencing guidelines,

and who have already served a period of incarceration as a result of the offense for which they are committed.

Subd. 3. [OFFENDERS NOT ELIGIBLE.] The following are not eligible to be placed on intensive community supervision, under subdivision 2, clause (3) (2):

(1) offenders who were committed to the commissioner's custody under a statutory mandatory minimum sentence;

(2) offenders who were committed to the commissioner's custody following a conviction for murder, manslaughter, criminal sexual conduct in the first or second degree, or criminal vehicular homicide or operation resulting in death; and

(3) offenders whose presence in the community would present a danger to public safety.

Sec. 4. Minnesota Statutes 1990, section 244.13, is amended to read:

244.13 [INTENSIVE COMMUNITY SUPERVISION AND INTENSIVE SUPERVISED RELEASE; 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 or all or part of a supervised release or parole term on intensive supervised release. The adoption and modification of policies and procedures to implement sections 244.05, subdivision 6, and 244.12 to 244.15 are not subject to the rulemaking procedures of chapter 14. 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~~ intensive supervision agents assigned to the intensive community supervision ~~program~~ and intensive supervised release programs. The ~~probation officer~~ agent caseload shall not exceed the ratio of 30 offenders to two ~~probation officers~~ intensive supervision agents.

An intensive supervised release agent must have qualifications equal to those for a state corrections agent.

Subd. 3. [EVALUATION.] The commissioner shall develop a system for gathering and analyzing information concerning the value and effectiveness of the intensive community supervision and

intensive supervised release 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. 5. Minnesota Statutes 1990, section 244.14, is amended to read:

244.14 [INTENSIVE COMMUNITY SUPERVISION; BASIC ELEMENTS.]

Subdivision 1. [REQUIREMENTS.] This section governs the intensive community supervision programs established under section 244.13. 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) commits a material violation of or repeatedly fails to follow the rules of the program;
- (2) commits any misdemeanor, gross misdemeanor, or felony offense; or
- (3) presents a risk to the public, based on the offender's behavior, attitude, or abuse of alcohol or controlled substances. The revocation of intensive community supervision is governed by the procedures in the commissioner's rules adopted under section 244.05, subdivision 2.

An offender whose intensive community supervision is revoked shall be imprisoned for a time period equal to the offender's original

term of imprisonment, but in no case for longer than the time remaining in the offender's sentence. "Original term of imprisonment" means a time period equal to two-thirds of the ~~prison~~ sentence originally executed by the sentencing court, minus jail credit, if any.

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~~ an intensive supervision agent. If the offender received a restitution order as part of the sentence, the offender shall make weekly payments as scheduled by the ~~probation officer~~ agent until the full amount is paid.

Sec. 6. Minnesota Statutes 1990, section 244.15, is amended to read:

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 time remaining in the offender's original term of imprisonment, whichever is less.~~ Phase II lasts for at least ~~four months~~ one-third of the time remaining in the offender's original term of imprisonment at the beginning of Phase II. Phase III lasts for at least ~~two months~~ one-third of the time remaining in the offender's original term of imprisonment at the beginning of Phase III. Phase IV continues ~~indefinitely until the commissioner determines that the offender has successfully completed the program or until the offender's sentence, minus jail credit, expires, whichever occurs first.~~ If an offender successfully completes the intensive community supervision program before the offender's sentence expires, the offender shall be placed on supervised release for the remainder of the sentence.

Subd. 2. [RANDOM DRUG TESTING.] (a) During phase I, the offender will be subjected at least weekly 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 at least twice monthly.

(c) During phases III and IV, the tests will be done at random at the frequency determined by the ~~probation officer~~ intensive supervision agent.

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~~ intensive supervision agent 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~~ agent.

(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~~ intensive supervision agent 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. An offender may not spend more than six months in a residential treatment program that does not require the offender to spend at least 40 hours a week performing approved work or undertaking constructive activity designed to obtain employment.

Subd. 6. [ELECTRONIC SURVEILLANCE.] During any phase, the offender may be placed on electronic surveillance if the ~~probation officer~~ intensive supervision agent 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.

Sec. 7. [EFFECTIVE DATE.]

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

Amend the title as follows:

Page 1, line 5, after the first semicolon insert "244.09, 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. 783, A bill for an act relating to health; infectious waste control; transferring responsibility for infectious waste from the pollution control agency to the department of health; clarifying that veterinarians are also covered by the act; clarifying requirements for management and generators' plans; allowing certain medical waste to be mixed with other waste under certain conditions; creating a medical waste task force; appropriating money; amending Minnesota Statutes 1990, sections 116.76, subdivision 5; 116.77; 116.78, subdivision 4; 116.79, subdivisions 1, 3, and 4; 116.80, subdivisions 2 and 3; 116.81, subdivision 1; 116.82, subdivision 3; and 116.83; repealing Minnesota Statutes 1990, sections 116.76, subdivision 2; and 116.81, subdivision 2.

Reported the same back with the following amendments:

Page 2, line 31, before the period insert "except hospitals or laboratories"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 543, 734, 761, 1002, 1109, 1273, 1377 and 1387 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 269, 510, 525, 526 and 783 were read for the second time.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Simoneau requested immediate consideration of S. F. Nos. 132 and 350; H. F. Nos. 1129, 1246, 1009, 628, 222 and 658; S. F. No. 397; H. F. No. 695 and S. F. No. 621.

S. F. No. 132, A bill for an act relating to public safety; providing for wheelchair securement devices in transit vehicles for transporting disabled people; amending Minnesota Statutes 1990, sections 299A.11; 299A.12, subdivision 1, and by adding a subdivision; and 299A.14, 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Knickerbocker	Olsen, S.	Segal
Anderson, I.	Goodno	Koppendrayner	Olson, E.	Simoneau
Anderson, R. H.	Greenfield	Krinkie	Olson, K.	Skoglund
Battaglia	Gruenes	Krueger	Omann	Smith
Bauerly	Gutknecht	Lasley	Onnen	Solberg
Beard	Hanson	Leppik	Orenstein	Sparby
Begich	Hartle	Lieder	Orfield	Stanius
Bertram	Hasskamp	Limmer	Osthoff	Steensma
Bettermann	Haukoos	Long	Ostrom	Sviggum
Bishop	Hausman	Lourey	Ozment	Swenson
Blatz	Heir	Lynch	Pauly	Thompson
Bodahl	Henry	Macklin	Pellow	Tompkins
Boo	Hufnagle	Mariani	Pelowski	Trimble
Brown	Hugoson	Marsh	Peterson	Tunheim
Carruthers	Jacobs	McEachern	Pugh	Uphus
Clark	Janezich	McGuire	Reding	Valento
Cooper	Jaros	McPherson	Rest	Vellenga
Dauner	Jefferson	Milbert	Rice	Wagenius
Davids	Jennings	Morrison	Rodosovich	Waltman
Dawkins	Johnson, A.	Munger	Rukavina	Weaver
Dempsey	Johnson, R.	Murphy	Runbeck	Wejcman
Dille	Johnson, V.	Nelson, K.	Sarna	Welker
Erhardt	Kahn	Nelson, S.	Schafer	Welle
Farrell	Kalis	Newinski	Scheid	Wenzel
Frerichs	Kelso	O'Connor	Schreiber	Winter
Garcia	Kinkel	Ogren	Seaberg	Spk. Vanasek

The bill was passed and its title agreed to.

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

S. F. No. 350 was reported to the House.

S. F. No. 350 was read for the third time.

Olsen, S., moved that S. F. No. 350 be temporarily laid over on Rule 1.10. The motion prevailed.

H. F. No. 1129, A bill for an act relating to agriculture; regulating genetically engineered plants, pesticides, fertilizers, soil amendments, and plant amendments; rules of the environmental quality board governing release of genetically engineered organisms; reimbursement of release permit costs; imposing a penalty; amending Minnesota Statutes 1990, sections 18B.01, by adding subdivisions; 18C.005, by adding subdivisions; 18C.425, by adding a subdivision; 18D.01, subdivisions 1 and 9; 18D.301, subdivisions 1 and 2; 18D.325, subdivisions 1 and 2; 18D.331, subdivisions 1, 2, and 3; 116C.91, by adding a subdivision; and 116C.94; proposing coding for new law in Minnesota Statutes, chapters 18B; 18C; and 116C; proposing coding for new law as Minnesota Statutes, chapter 18F.

The bill was read for the third 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	Garcia	Knickerbocker	Olson, E.	Skoglund
Anderson, I.	Girard	Koppendrayner	Olson, K.	Smith
Anderson, R. H.	Goodno	Krinkie	Omann	Solberg
Battaglia	Greenfield	Krueger	Onnen	Sparby
Bauerly	Gruenes	Lasley	Orenstein	Stanisus
Beard	Gutknecht	Leppik	Orfield	Steenasma
Begich	Hanson	Lieder	Osthoff	Sviggum
Bertram	Hartle	Limmer	Ostrom	Swenson
Bettermann	Hasskamp	Long	Ozment	Thompson
Bishop	Haukoos	Lourey	Pauly	Tompkins
Blatz	Hausman	Lynch	Pellow	Trimble
Bodahl	Heir	Macklin	Pelowski	Tunheim
Boo	Henry	Mariani	Peterson	Valento
Brown	Hufnagle	Marsh	Pugh	Vellenga
Carlson	Hugoson	McEachern	Reding	Wagenius
Carruthers	Jacobs	McGuire	Rest	Waltman
Clark	Janezich	McPherson	Rice	Weaver
Cooper	Jaros	Milbert	Rodosovich	Wejcmann
Dauner	Jefferson	Morrison	Rukavina	Welker
Davids	Jennings	Munger	Runbeck	Welle
Dawkins	Johnson, A.	Murphy	Sarna	Wenzel
Dempsey	Johnson, R.	Nelson, K.	Schafer	Winter
Dille	Johnson, V.	Nelson, S.	Scheid	Spk. Vanasek
Dorn	Kahn	Newinski	Schreiber	
Erhardt	Kalis	O'Connor	Seaberg	
Farrell	Kelso	Ogren	Segal	
Frerichs	Kinkel	Olsen, S.	Simoneau	

The bill was passed and its title agreed to.

H. F. No. 1246 was reported to the House.

Jacobs moved to amend H. F. No. 1246, the third engrossment, as follows:

Page 4, line 28, delete everything after "customers" and insert a semicolon

Page 4, delete lines 29 to 30

Page 5, line 4, after "electricity" insert "not purchased from a public utility governed by subdivision 1a or a cooperative electric association governed by this subdivision"

Page 8, line 16, delete "revenue" and insert "finance"

Page 19, delete lines 8 to 11

Renumber the remaining sections

The motion prevailed and the amendment was adopted.

Jacobs moved to amend H. F. No. 1246, the third engrossment, as amended, as follows:

Page 17, after line 6, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective for applications for certificates of need filed with the public utilities commission after July 31, 1991."

The motion prevailed and the amendment was adopted.

Speaker pro tempore Krueger called Rodosovich to the Chair.

H. F. No. 1246, A bill for an act relating to energy; expanding conservation improvement programs; extending protection against disconnection of residential utility customers during cold weather; improving energy efficiency by prohibiting incandescent lighting in certain exit signs; requiring applicants for certificates of need for large utility facilities to justify the use of nonrenewable rather than renewable energy; establishing energy conservation goals for state buildings; requiring a review of the state building code and energy standards; requiring a report to the legislature; authorizing conservation improvement financial incentive plans; making conforming amendments; prescribing penalties; appropriating money; amending Minnesota Statutes 1990, sections 16B.32; 16B.61, subdivision 3; 216B.16, subdivision 6b, and by adding a subdivision; 216B.241; 216B.243, subdivision 3, and by adding a subdivision; 216C.02, subdivision 1; and 299F.011, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 216B and 216C.

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 17 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Greenfield	Lasley	Omann	Skoglund
Battaglia	Gruenes	Leppik	Orenstein	Smith
Bauerly	Gutknecht	Lieder	Orfield	Solberg
Beard	Hanson	Limmer	Osthoff	Sparby
Begich	Hartle	Long	Ostrom	Stanius
Bertram	Hasskamp	Lourey	Ozment	Steenmsa
Bettermann	Hausman	Lynch	Pauly	Swenson
Bishop	Heir	Macklin	Pellow	Thompson
Bodahl	Henry	Mariani	Pelowski	Tompkins
Boo	Hufnagle	Marsh	Peterson	Trimble
Brown	Jacobs	McEachern	Pugh	Tunheim
Carlson	Janezich	McGuire	Reding	Valento
Carruthers	Jaros	Milbert	Rest	Vellenga
Clark	Jefferson	Morrison	Rice	Wagenius
Cooper	Jennings	Munger	Rodosovich	Waltman
Dauner	Johnson, A.	Murphy	Rukavina	Weaver
Dauids	Johnson, R.	Nelson, K.	Runbeck	Wejzman
Dawkins	Kahn	Nelson, S.	Sarna	Welle
Dille	Kalis	Newinski	Scheid	Wenzel
Dorn	Kelso	O'Connor	Schreiber	Winter
Farrell	Kinkel	Ogren	Seaberg	Spk. Vanasek
Frerichs	Knickerbocker	Olson, E.	Segal	
Garcia	Krueger	Olson, K.	Simoneau	

Those who voted in the negative were:

Abrams	Dempsey	Hugoson	McPherson	Welker
Anderson, R.	Girard	Johnson, V.	Onnen	
Anderson, R. H.	Goodno	Koppendrayer	Schafer	
Blatz	Haukoos	Krinkie	Svigum	

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

H. F. No. 1009, A bill for an act relating to natural resources; authorizing additions to and deletions from certain state parks; authorizing nonpark use of a portion of certain parks; authorizing the sale of certain deleted lands.

The bill was read for the third 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	Anderson, R.	Battaglia	Beard	Bertram
Anderson, I.	Anderson, R. H.	Bauerly	Begich	Bettermann

Bishop	Hartle	Leppik	Onnen	Smith
Blatz	Hasskamp	Lieder	Orenstein	Solberg
Bodahl	Haukoos	Limmer	Orfield	Sparby
Boo	Hausman	Long	Osthoff	Stanius
Brown	Heir	Lourey	Ostrom	Steensma
Carlson	Henry	Lynch	Ozment	Swiggum
Carruthers	Hufnagle	Macklin	Pauly	Swenson
Clark	Hugoson	Mariani	Pellow	Thompson
Cooper	Jacobs	Marsh	Pelowski	Tompkins
Dauner	Janezich	McEachern	Peterson	Trimble
Dauids	Jaros	McGuire	Pugh	Tunheim
Dawkins	Jefferson	McPherson	Reding	Valento
Dempsey	Jennings	Milbert	Rest	Vellenga
Dille	Johnson, A.	Morrison	Rice	Wagenius
Dorn	Johnson, R.	Munger	Rodosovich	Waltman
Erhardt	Johnson, V.	Murphy	Rukavina	Weaver
Farrell	Kahn	Nelson, K.	Runbeck	Wejcman
Frerichs	Kalis	Nelson, S.	Sarna	Welker
Garcia	Kelso	Newinski	Schafer	Welle
Girard	Kinkel	O'Connor	Scheid	Wenzel
Goodno	Knickerbocker	Ogren	Schreiber	Winter
Greenfield	Koppendraye	Olsen, S.	Seaberg	Spk. Vanasek
Gruenes	Krinkie	Olson, E.	Segal	
Gutknecht	Krueger	Olson, K.	Simoneau	
Hanson	Lasley	Omann	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 628 was reported to the House.

Marsh and Brown moved to amend H. F. No. 628, the first engrossment, as follows:

Page 2, after line 17, insert:

“Sec. 3. [169.983] [SPEEDING VIOLATIONS; CREDIT CARD PAYMENT OF FINES.]

The officer who issues a citation for a violation by a person who does not reside in Minnesota of section 169.14 or 169.141 shall give the defendant the option to plead guilty to the violation upon issuance of the citation and to pay the fine to the issuing officer with a credit card.

The commissioner shall adopt rules to implement this section, including specifying the types of credit cards that may be used.”

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

Speaker pro tempore Rodosovich called Johnson, A., to the Chair.

Bishop moved to amend the Marsh and Brown amendment to H. F. No. 628, the first engrossment, as follows:

Page 1, line 6, delete "by a"

Page 1, line 7, delete "person who does not reside in Minnesota"

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 36 yeas and 94 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Goodno	Limmer	Rukavina	Tompkins
Beard	Hasskamp	Long	Sarna	Tunheim
Begich	Hausman	McEachern	Scheid	Weaver
Bertram	Janezich	Morrison	Skoglund	Welker
Bishop	Jaros	O'Connor	Smith	
Dille	Kahn	Olsen, S.	Solberg	
Erhardt	Krinkie	Onnen	Sparby	
Frerichs	Krueger	Osthoff	Thompson	

Those who voted in the negative were:

Abrams	Farrell	Kalis	Newinski	Schafer
Anderson, I.	Garcia	Kelso	Ogren	Seaberg
Anderson, R. H.	Girard	Kinkel	Olson, E.	Segal
Battaglia	Greenfield	Knickerbocker	Olson, K.	Simoneau
Bauerly	Gruenes	Koppendrayner	Omann	Stanisus
Bettermann	Gutknecht	Lasley	Orenstein	Steenasma
Blatz	Hanson	Lieder	Orfield	Sviggum
Bodahl	Hartle	Lourey	Ostrom	Swenson
Boo	Haukoos	Lynch	Ozment	Trimble
Brown	Heir	Macklin	Pauly	Valento
Carlson	Henry	Mariani	Pellow	Vellenga
Carruthers	Hufnagle	Marsh	Pelowski	Wagenius
Clark	Hugoson	McGuire	Peterson	Waltman
Cooper	Jacobs	McPherson	Pugh	Wejzman
Dauner	Jefferson	Milbert	Reding	Welle
Dauids	Jennings	Munger	Rest	Wenzel
Dawkins	Johnson, A.	Murphy	Rice	Winter
Dempsey	Johnson, R.	Nelson, K.	Rodosovich	Spk. Vanasek
Dorn	Johnson, V.	Nelson, S.	Runbeck	

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

The question recurred on the Marsh and Brown amendment to H. F. No. 628, the first engrossment. The motion prevailed and the amendment was adopted.

H. F. No. 628, A bill for an act relating to traffic regulations;

increasing the fine for violating seat belt requirements; reallocating fine receipts; amending Minnesota Statutes 1990, section 169.686, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 169.

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 70 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Anderson, R. H.	Garcia	Lieder	Orfield	Skoglund
Battaglia	Greenfield	Limmer	Osthoff	Smith
Bauerly	Gutknecht	Long	Ostrom	Stanius
Bishop	Hanson	Lourey	Ozment	Swenson
Boo	Hartle	Macklin	Pauly	Thompson
Brown	Hausman	Mariani	Pellow	Tompkins
Clark	Heir	McGuire	Pelowski	Trimble
Cooper	Johnson, A.	Morrison	Pugh	Valento
Dauner	Johnson, V.	Murphy	Reding	Vellenga
Dauids	Kahn	Nelson, K.	Rest	Wagenius
Dille	Kalis	Nelson, S.	Schafer	Waltman
Dorn	Knickerbocker	Newinski	Scheid	Wejcmán
Erhardt	Lasley	Olsen, S.	Seaberg	Welle
Frerichs	Leppik	Orenstein	Segal	Spk. Vanasek

Those who voted in the negative were:

Abrams	Dempsey	Jaros	Milbert	Sarna
Anderson, I.	Farrell	Jennings	O'Connor	Schreiber
Anderson, R.	Girard	Johnson, R.	Ogren	Simoneau
Beard	Goodno	Kelso	Olson, E.	Solberg
Begich	Gruenes	Kinkel	Olson, K.	Sparby
Bertram	Hasskamp	Koppendrayner	Omann	Steensma
Bettermann	Haukoos	Krinkie	Onnen	Sviggum
Blatz	Henry	Krueger	Peterson	Tunheim
Bodahl	Hufnagle	Lynch	Rice	Weaver
Carlson	Hugoson	Marsh	Rodosovich	Welker
Carruthers	Jacobs	McEachern	Rukavina	Wenzel
Dawkins	Janezich	McPherson	Runbeck	Winter

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

S. F. No. 350 which was temporarily laid over earlier today was again reported to the House.

UNANIMOUS CONSENT

Long requested unanimous consent to offer an amendment. The request was granted.

Long moved to amend S. F. No. 350, the unofficial engrossment, as follows:

Page 6, line 12, after the period, insert “The city shall take all reasonable actions in seeking reimbursements of any costs incurred to remediate methane at the landfill.”

Page 6, delete lines 14 to 16, and insert “section to reimburse the metropolitan”

Page 6, line 20, delete everything after the period and insert “The remaining amount recovered must first be used to pay the administrative and legal expenses of the city that are incurred under the act.”

Page 6, line 21, delete “the” and insert “The”

Page 6, line 21, after “must” insert “then”

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 350, A bill for an act relating to the environment; adding a purpose for expenditure from the metropolitan landfill contingency action trust fund; authorizing the city of Hopkins to issue bonds to pay for environmental response costs at a landfill; authorizing the city to impose a solid waste collection surcharge; authorizing a landfill cleanup assessment against property; authorizing a service charge; appropriating money; amending Minnesota Statutes 1990, section 473.845, 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	Bishop	Dauner	Garcia	Haukoos
Anderson, I.	Blatz	Davids	Girard	Hausman
Anderson, R. H.	Bodahl	Dawkins	Goodno	Heir
Battaglia	Boo	Dempsey	Greenfield	Henry
Bauerly	Brown	Dille	Gruenes	Hufnagle
Beard	Carlson	Dorn	Gutknecht	Hugoson
Begich	Carruthers	Erhardt	Hanson	Jacobs
Bertram	Clark	Farrell	Hartle	Janezich
Bettermann	Cooper	Frerichs	Hasskamp	Jaros

Jefferson	Lourey	Olson, E.	Rukavina	Tompkins
Jennings	Lynch	Olson, K.	Runbeck	Trimble
Johnson, A.	Macklin	Omann	Sarna	Tunheim
Johnson, R.	Mariani	Onnen	Schafer	Valento
Johnson, V.	Marsh	Orenstein	Scheid	Vellenga
Kahn	McEachern	Orfield	Schreiber	Wagenius
Kalis	McGuire	Osthoff	Seaberg	Waltman
Kelso	McPherson	Ostrom	Segal	Weaver
Kinkel	Milbert	Ozment	Simoneau	Wejzman
Knickerbocker	Morrison	Pauly	Skoglund	Welker
Koppendrayner	Munger	Pellow	Smith	Welle
Krinkie	Murphy	Pelowski	Solberg	Wenzel
Krueger	Nelson, K.	Peterson	Sparby	Winter
Lasley	Nelson, S.	Pugh	Stanisus	Spk. Vanasek
Leppik	Newinski	Reding	Steenasma	
Lieder	O'Connor	Rest	Sviggum	
Limmer	Ogren	Rice	Swenson	
Long	Olsen, S.	Rodosovich	Thompson	

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

H. F. No. 222, A bill for an act relating to international trade; establishing a regional international trade service center pilot project; appropriating money.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 7 nays as follows:

Those who voted in the affirmative were:

Abrams	Farrell	Kahn	Nelson, S.	Seaberg
Anderson, I.	Frerichs	Kalis	Newinski	Segal
Anderson, R. H.	Garcia	Kelso	O'Connor	Simoneau
Battaglia	Girard	Kinkel	Ogren	Skoglund
Bauerly	Goodno	Knickerbocker	Olsen, S.	Smith
Beard	Greenfield	Koppendrayner	Olson, E.	Solberg
Begich	Gruenes	Krueger	Omann	Sparby
Bertram	Gutknecht	Lasley	Orenstein	Stanisus
Bettermann	Hanson	Leppik	Orfield	Steenasma
Bishop	Hartle	Lieder	Osthoff	Swenson
Blatz	Hasskamp	Limmer	Ostrom	Thompson
Bodahl	Haukoos	Long	Ozment	Tompkins
Boo	Hausman	Lourey	Pauly	Trimble
Brown	Heir	Lynch	Pelowski	Tunheim
Carlson	Henry	Macklin	Peterson	Valento
Carruthers	Hufnagle	Mariani	Pugh	Vellenga
Clark	Hugoson	Marsh	Reding	Wagenius
Cooper	Jacobs	McEachern	Rest	Waltman
Dauner	Janezich	McGuire	Rice	Wejzman
Davids	Jaros	McPherson	Rodosovich	Welle
Dawkins	Jefferson	Milbert	Rukavina	Wenzel
Dempsey	Jennings	Morrison	Sarna	Winter
Dille	Johnson, A.	Munger	Schafer	Spk. Vanasek
Dorn	Johnson, R.	Murphy	Scheid	
Erhardt	Johnson, V.	Nelson, K.	Schreiber	

Those who voted in the negative were:

Krinkie Onnen	Fellow Runbeck	Sviggum Weaver	Welker
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The bill was passed and its title agreed to.

H. F. No. 658, A bill for an act relating to economic development; appropriating money for a federal technical procurement project and for Minnesota Project Outreach Corporation.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 7 nays as follows:

Those who voted in the affirmative were:

Abrams	Ferichs	Kinkel	Olsen, S.	Seaberg
Anderson, I.	Garcia	Knickerbocker	Olson, E.	Segal
Anderson, R.	Girard	Koppendrayner	Olson, K.	Simoneau
Anderson, R. H.	Goodno	Krueger	Omann	Skoglund
Battaglia	Greenfield	Lasley	Onnen	Smith
Bauerly	Gruenes	Leppik	Orenstein	Solberg
Beard	Gutknecht	Lieder	Orfield	Sparby
Begich	Hanson	Limmer	Osthoff	Stanius
Bertram	Hartle	Long	Ostrom	Steensma
Bettermann	Hasskamp	Lourey	Ozment	Swenson
Bishop	Hausman	Lynch	Pauly	Thompson
Blatz	Henry	Macklin	Pellow	Tompkins
Bodahl	Hufnagle	Mariani	Pelowski	Trimble
Boo	Hugoson	Marsh	Peterson	Tunheim
Brown	Jacobs	McEachern	Pugh	Valento
Carlson	Janezich	McGuire	Reding	Vellenga
Carruthers	Jaros	Milbert	Rest	Wagenius
Clark	Jefferson	Morrison	Rice	Waltman
Cooper	Jennings	Munger	Rodosovich	Weaver
Dauner	Johnson, A.	Murphy	Rukavina	Wejcman
Dauids	Johnson, R.	Nelson, K.	Runbeck	Welle
Dawkins	Johnson, V.	Nelson, S.	Sarna	Wenzel
Dille	Kahn	Newinski	Schafer	Winter
Dorn	Kalis	O'Connor	Scheid	Spk. Vanasek
Farrell	Kelso	Ogren	Schreiber	

Those who voted in the negative were:

Dempsey Erhardt	Haukoos Heir	Krinkie Sviggum	Welker
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The bill was passed and its title agreed to.

S. F. No. 397, A bill for an act relating to capital improvements; altering the terms of a grant to the Red Lake watershed district;

amending Laws 1990, chapter 610, article 1, section 20, 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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Olsen, S.	Simoneau
Anderson, I.	Garcia	Knickerbocker	Olson, E.	Skoglund
Anderson, R.	Girard	Koppendrayer	Olson, K.	Smith
Anderson, R. H.	Goodno	Krinkie	Omman	Solberg
Battaglia	Greenfield	Krueger	Onnen	Sparby
Bauerly	Gruenes	Lasley	Orenstein	Stanius
Beard	Gutknecht	Leppik	Orfield	Steenasma
Begich	Hanson	Lieder	Osthoff	Sviggum
Bertram	Hartle	Limmer	Ostrom	Swenson
Bettermann	Hasskamp	Long	Ozment	Thompson
Bishop	Haukoos	Lourey	Pauly	Tompkins
Blatz	Hausman	Lynch	Pellow	Trimble
Bodahl	Heir	Macklin	Pelowski	Tunheim
Boo	Henry	Mariani	Peterson	Valento
Brown	Hufnagle	Marsh	Pugh	Vellenga
Carlson	Hugoson	McEachern	Reding	Wagenius
Carruthers	Jacobs	McGuire	Rest	Waltman
Clark	Janezich	McPherson	Rice	Weaver
Cooper	Jaros	Milbert	Rodosovich	Wejcmán
Dauner	Jefferson	Morrison	Rukavina	Welker
Davids	Jennings	Munger	Runbeck	Welle
Dawkins	Johnson, A.	Murphy	Sarna	Wenzel
Dempsey	Johnson, R.	Nelson, K.	Schafer	Winter
Dille	Johnson, V.	Nelson, S.	Scheid	Spk. Vanasek
Dorn	Kahn	Newinski	Schreiber	
Erhardt	Kalis	O'Connor	Seaberg	
Farrell	Kelso	Ogren	Segal	

The bill was passed and its title agreed to.

H. F. No. 695, A bill for an act relating to domestic violence; battered women; providing that no filing fee shall be charged for issuing a domestic abuse order for protection except under certain circumstances; increasing the penalty for violating an order for protection; authorizing warrantless arrests for violations at a place of employment; permitting the issuance of a new order based on violation of a prior order; increasing the probationary period for misdemeanor domestic assaults; clarifying and expanding the role of the battered women's advisory council; establishing a sexual assault advisory council; updating and correcting certain statutory provisions; amending Minnesota Statutes 1990, sections 518B.01, subdivision 14, and by adding a subdivision; 609.135, subdivision 2; 611A.31, subdivision 2; 611A.32, subdivisions 1 and 2; 611A.33; 611A.34; 611A.35; and 611A.36, subdivision 1; proposing coding for

new law in Minnesota Statutes, chapter 611A; repealing Minnesota Statutes 1990, section 611A.32, subdivision 4.

The bill was read for the third time and placed upon its final passage.

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

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Olsen, S.	Simoneau
Anderson, I.	Garcia	Knickerbocker	Olson, E.	Skoglund
Anderson, R.	Girard	Koppendrayer	Olson, K.	Smith
Anderson, R. H.	Goodno	Krinkie	Omamn	Solberg
Battaglia	Greenfield	Krueger	Onnen	Sparby
Bauerly	Gruenes	Lasley	Orenstein	Stanius
Beard	Gutknecht	Leppik	Orfield	Steensma
Begich	Hanson	Lieder	Osthoff	Sviggun
Bertram	Hartle	Limmer	Ostrom	Swenson
Bettermann	Hasskamp	Long	Ozment	Thompson
Bishop	Haukoos	Lourey	Pauly	Tompkins
Blatz	Hausman	Lynch	Pellow	Trimble
Bodahl	Heir	Macklin	Pelowski	Tunheim
Boo	Henry	Mariani	Peterson	Valento
Brown	Hufnagle	Marsh	Pugh	Vellenga
Carlson	Hugoson	McEachern	Reding	Wagenius
Carruthers	Jacobs	McGuire	Rest	Waltman
Clark	Janezich	McPherson	Rice	Weaver
Cooper	Jaros	Milbert	Rodosovich	Wejcmn
Dauner	Jefferson	Morrison	Rukavina	Welker
Dauids	Jennings	Munger	Runbeck	Welle
Dawkins	Johnson, A.	Murphy	Sarna	Wenzel
Dempsey	Johnson, R.	Nelson, K.	Schafer	Winter
Dille	Johnson, V.	Nelson, S.	Scheid	Spk. Vanasek
Dorn	Kahn	Newinski	Schreiber	
Erhardt	Kalis	O'Connor	Seaberg	
Farrell	Kelso	Ogren	Segal	

The bill was passed and its title agreed to.

S. F. No. 621, A bill for an act relating to the environment; clarifying and correcting provisions relating to the legislative commission on Minnesota resources and the Minnesota environmental and natural resources trust fund; amending Minnesota Statutes 1990, sections 116P.04, subdivision 5; 116P.05; 116P.06; 116P.07; 116P.08, subdivisions 3 and 4; 116P.09, subdivisions 2, 4, 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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Olsen, S.	Simoneau
Anderson, I.	Garcia	Knickerbocker	Olson, E.	Skoglund
Anderson, R.	Girard	Koppendraye	Olson, K.	Smith
Anderson, R. H.	Goodno	Krinkie	Omam	Solberg
Battaglia	Greenfield	Krueger	Onnen	Sparby
Bauerly	Gruenes	Lasley	Orenstein	Stanius
Beard	Gutknecht	Leppik	Orfield	Steensma
Begich	Hanson	Lieder	Osthoff	Sviggum
Bertram	Hartle	Limmer	Ostrom	Swenson
Bettermann	Hasskamp	Long	Ozment	Thompson
Bishop	Haukoos	Lourey	Pauly	Tompkins
Blatz	Hausman	Lynch	Pellow	Trimble
Bodahl	Heir	Macklin	Pelowski	Tunheim
Boo	Henry	Mariani	Peterson	Valento
Brown	Hufnagle	Marsh	Pugh	Vellenga
Carlson	Hugoson	McEachern	Reding	Wagenius
Carruthers	Jacobs	McGuire	Rest	Waltman
Clark	Janezich	McPherson	Rice	Weaver
Cooper	Jaros	Milbert	Rodosovich	Wejzman
Dauner	Jefferson	Morrison	Rukavina	Welker
Davids	Jennings	Munger	Runbeck	Welle
Dawkins	Johnson, A.	Murphy	Sarna	Wenzel
Dempsey	Johnson, R.	Nelson, K.	Schafer	Winter
Dille	Johnson, V.	Nelson, S.	Scheid	Spk. Vanasek
Dorn	Kahn	Newinski	Schreiber	
Erhardt	Kalis	O'Connor	Seaberg	
Farrell	Kelso	Ogren	Segal	

The bill was passed and its title agreed to.

The Speaker resumed the Chair.

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

Dawkins moved that the name of Trimble be added as an author on H. F. No. 27. The motion prevailed.

Long moved that H. F. No. 1655 be recalled from the Committee on

Rules and Legislative Administration and be re-referred to the Committee on Appropriations. The motion prevailed.

Carruthers moved that S. F. No. 1019 be recalled from the Committee on Appropriations and together with H. F. No. 1273, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Anderson, I., moved that H. F. No. 250 be returned to its author. The motion prevailed.

Hartle moved that H. F. No. 780 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. 21:

Bertram, McEachern and Onnen.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 126:

Johnson, R.; Hasskamp and Kinkel.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 236:

Solberg, Wagenius and Seaberg.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 683:

Jacobs, Janezich and Boo.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 693:

Carruthers, Pugh and Swenson.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 922:

Ostrom, Vellenga and Macklin.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1549:

Wenzel, Omann and Bertram.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 1:00 p.m., Wednesday, May 15, 1991. 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, May 15, 1991.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

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STATE OF MINNESOTA

SEVENTY-SEVENTH SESSION—1991

FIFTY-FOURTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MAY 15, 1991

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

Prayer was offered by Pastor Mike Smith, Calvary Assembly of God Church, White Bear Lake, Minnesota.

The roll was called and the following members were present:

Abrams	Frederick	Kelso	Ogren	Simoneau
Anderson, I.	Frerichs	Kinkel	Olsen, S.	Skoglund
Anderson, R.	Garcia	Knickerbocker	Olsen, E.	Smith
Anderson, R. H.	Girard	Koppendrayr	Olsen, K.	Solberg
Battaglia	Goodno	Krinkie	Omann	Sparby
Bauerly	Greenfield	Krueger	Onnen	Stanius
Beard	Gruenes	Lasley	Orenstein	Steensma
Begich	Gutknecht	Leppik	Orfield	Sviggum
Bertram	Hanson	Lieder	Osthoff	Swenson
Bettermann	Hartle	Limmer	Ostrom	Thompson
Bishop	Hasskamp	Long	Ozment	Tompkins
Blatz	Haukoos	Lourey	Pellow	Trimble
Bodahl	Hausman	Lynch	Pellowski	Tunheim
Boo	Heir	Macklin	Peterson	Uphus
Brown	Henry	Mariani	Pugh	Valento
Carlson	Hufnagle	Marsh	Reding	Vellenga
Carruthers	Hugoson	McEachern	Rest	Wagenius
Clark	Jacobs	McGuire	Rice	Waltman
Cooper	Janezich	McPherson	Rodosovich	Weaver
Dauner	Jaros	Milbert	Rukavina	Wejcman
Dauids	Jefferson	Morrison	Runbeck	Welker
Dawkins	Jennings	Munger	Sarna	Welle
Dempsey	Johnson, A.	Murphy	Schafer	Wenzel
Dille	Johnson, R.	Nelson, K.	Scheid	Winter
Dorn	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Erhardt	Kahn	Newinski	Seaberg	
Farrell	Kalis	O'Connor	Segal	

A quorum was present.

Pauly was excused.

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

Anderson, R., was excused while in conference.

REPORTS OF CHIEF CLERK

S. F. No. 1019 and H. F. No. 1273, 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. 1019 be substituted for H. F. No. 1273 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1466 and H. F. No. 909, 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. 1466 be substituted for H. F. No. 909 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. 31, 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; imposing a penalty; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 299M.

Reported the same back with the following amendments:

Page 2, line 7, before the period insert "connected to a potable water source"

Page 2, line 29, delete "seven" and insert "eight"

Page 3, line 1, after the period insert "One member must be a building official certified by the department of administration, who is professionally competent in fire protection system inspection."

Page 3, line 13, delete everything after "contractor" and insert "No license is required under this section for a person licensed as a professional engineer under section 326.03 who is competent in fire protection system design or a person licensed as an alarm and communication contractor under section 326.2421 for performing activities authorized by that license."

Page 3, delete line 14

Page 4, line 9, after the period insert "Any person aggrieved by the commissioner's action may request a hearing before the commissioner. The provisions of sections 14.57 to 14.69 apply to the hearing and to any subsequent proceedings."

Page 4, line 12, delete "system" and insert "systems."

Page 4, delete line 13

Page 4, delete section 8, and insert:

"Sec. 8. [299M.08] [PENALTY.]

It is a misdemeanor for any person to intentionally commit or direct another person to commit either of the following acts:

(1) to make a false statement in a license application, request for inspection, certificate, or other form or statement authorized or required under this chapter; or

(2) to perform fire protection system work without a proper permit, when required, and without a license or certificate for that work."

Page 5, line 3, delete "FIRE PROTECTION SYSTEMS ACCOUNT" and insert "MONEY CREDITED TO GENERAL FUND"

Page 5, delete lines 4 and 5 and insert "The fees and penalties"

Page 5, lines 8 and 11, delete "account" and insert "general fund"

Page 5, line 25, delete "PERMIT" and insert "SURCHARGE"

Page 5, line 27, delete "permit" and insert "surcharge"

Page 5, delete lines 30 and 31 and insert "section must be deposited in the state treasury and credited to the general fund."

Pages 5 and 6, delete section 12

Page 6, line 5, delete "[299M.13]" and insert "[299M.12]"

Page 6, line 10, delete "\$....." and insert "\$175,000"

Page 6, line 11, delete "\$....." and insert "\$300,000"

Page 6, line 13, delete "12" and insert "11"

Page 6, line 18, delete "three" and insert "two" and delete "four" and insert "three"

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 6, delete everything before "providing"

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. 552, A bill for an act relating to motor fuels; requiring ethanol as the oxygenate in oxygenated gasoline; amending Minnesota Statutes 1990, section 239.76, by adding subdivisions.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 41A.09, subdivision 3, is amended to read:

Subd. 3. [PAYMENTS FROM ACCOUNT.] The commissioner of revenue shall make cash payments from the account to producers of ethanol or wet alcohol located in the state. These payments shall apply only to ethanol or wet alcohol fermented in the state. The amount of the payment for each producer's annual production shall be as follows:

(a) For each gallon of ethanol produced:

(1) For the period beginning July 1, 1986, and ending June 30, 1987, 15 cents per gallon;

(2) For the period beginning July 1, 1987, and ending before June 30, 2000 2003, 20 cents per gallon.

(b) For each gallon produced of wet alcohol during the period beginning July 1, 1989, and ending before June 30, 2000, 2003 a payment in cents per gallon calculated by the formula "alcohol purity in percent divided by five," and rounded to the nearest cent per gallon, but not less than 11 cents per gallon. The producer payment for wet alcohol under this section may be paid to either the original producer of wet alcohol or the secondary processor, at the option of the original producer, but not to both.

(c) The total payments from the fund to all producers during the period beginning July 1, 1991 and ending June 30, 1993 may not exceed \$9,000,000. This amount may be paid in either fiscal year of the biennium. Total payments to any producer from the account in either fiscal year may not exceed \$3,000,000.

(d) The total payments from the fund to all producers may not exceed \$200,000 during the period beginning July 1, 1986, and ending June 30, 1987, and may not exceed \$10,000,000 in any fiscal year during the period beginning July 1, 1987 1993, and ending June 30, 2000 2003. Total payments to any producer from the account in any fiscal year may not exceed \$3,000,000.

By the last day of October, January, April, and July, each producer shall file a claim for payment for production during the preceding three calendar months. The volume of production must be verified by a certified financial audit performed by an independent certified public accountant using generally accepted accounting procedures.

Payments shall be made November 15, February 15, May 15, and August 15.

The commissioner of revenue shall pay \$100,000 in the fiscal year ending June 30, 1992, and \$100,000 in the fiscal year ending June 30, 1993, to the commissioner of agriculture to promote ethanol fuel use.

The commissioner of revenue shall pay \$40,000, or as much thereof as the commissioner of agriculture determines is necessary, in the fiscal year ending June 30, 1992, to the commissioner of agriculture for the purpose of producing and publishing, through the marketing division of the department and in consultation with the department of trade and economic development bureau of business licenses, the environmental permits control unit established under section 116C.25, the commissioner of the pollution control agency, the commissioner of public safety, and the Minnesota extension service, a document that (1) describes the steps necessary for planning, permitting, and constructing an ethanol plant in Minnesota; (2) suggests possible sources of economic support; and (3)

provides such other information to potential ethanol producers as the commissioner of agriculture deems necessary.

Sec. 2. Minnesota Statutes 1990, section 41A.09, subdivision 5, is amended to read:

Subd. 5. [EXPIRATION.] This section expires July 1, ~~2000~~ 2003, and the unobligated balance of each appropriation under this section on that date reverts to the general fund.

Sec. 3. Minnesota Statutes 1990, section 41A.09, subdivision 6, is amended to read:

Subd. 6. [CONTINUED PAYMENTS.] A plant in production or under construction by January 1, 1990, shall continue to receive uninterrupted payments under subdivision 3 of at least 20 cents per gallon of ethanol produced until July 1, ~~2000~~ 2003.

Sec. 4. Minnesota Statutes 1990, section 239.76, is amended by adding a subdivision to read:

Subd. 1a. [OXYGENATED GASOLINE REQUIRED.] (a) After October 31, 1995, gasoline sold or offered for sale as fuel for a motor vehicle licensed in Minnesota or another jurisdiction in air quality nonattainment counties must have a minimum oxygen content of 3.1 percent.

(b) After October 31, 1997, the requirement for oxygenated gasoline in paragraph (a) applies statewide."

Delete the title and insert:

"A bill for an act relating to agriculture; requiring the commissioner of revenue to make certain payments to the commissioner of agriculture for the purpose of promoting ethanol fuel use and providing information to ethanol producers; extending expiration date of ethanol subsidy program; amending Minnesota Statutes 1990, sections 41A.09, subdivisions 3, 5, and 6; and 239.76, by adding a subdivision."

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. 728, A bill for an act relating to traffic regulations; motor vehicles; establishing system for the notification, recording, and collection of delinquent fines for parking violations; prohibiting registration of vehicle of owner who has not paid the fine for a parking violation; prohibiting issuance of warrants for parking violations; imposing a fee; appropriating money; amending Minnesota Statutes 1990, sections 169.91, subdivision 3; 169.95; and 169.99, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 168 and 169.

Reported the same back with the following amendments:

Page 1, line 27, before the period insert "and the amount of each fine"

Page 3, delete lines 18 to 28, and insert:

"(d) An applicant may register the vehicle after paying or otherwise satisfactorily disposing of all delinquent parking citations and fines as follows:

(1) by reapplying after paying the outstanding parking fines to the appropriate courts and after each court's file of delinquent citations and fines have been recorded and updated in the computerized records system;

(2) by presenting court receipts or statements certifying that all delinquent fines have been paid or otherwise disposed of to the satisfaction of all applicable courts; or

(3) by paying all outstanding delinquent parking fines, as recorded in the computerized records system established in subdivision 2, by satisfactory payment to the deputy registrar, but only if the particular deputy registrar elects to provide this service. A deputy registrar electing to accept payments for fines under this clause shall transmit all payments to the applicable courts without delay.

A deputy registrar may rely conclusively upon the receipts or certified statements issued under clause (2) and purporting to be that of the court named in the receipt or statement that the fines owed to that court have been paid or otherwise satisfied."

Page 6, delete line 8

Page 6, line 9, before the period insert "; and

(4) the date the parking citation was issued"

Page 7, line 17, delete "\$469,000" and insert "\$447,000 the first year of the biennium and \$282,000 the second year of the biennium"

Page 7, line 21, delete "one position" and insert "three positions"

Page 7, after line 21, insert:

"Sec. 8. [EFFECTIVE DATE.]

Section 1, subdivision 2, and section 7 are effective August 1, 1991. The remaining provisions of this act are effective January 1, 1993, for parking citations outstanding and fines delinquent on and after that date."

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. 1589, A bill for an act relating to agriculture; appropriating money for the state's portion of the interstate compact on grain marketing.

Reported the same back with the following amendments:

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 1990, section 103G.271, subdivision 6, is amended to read:

Subd. 6. [WATER USE PERMIT PROCESSING FEE.] (a) Except as described in paragraphs (b) to (e) (f), a water use permit 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) 0.05 cents per 1,000 gallons for the first 50,000,000 gallons per year;

(2) 0.10 cents per 1,000 gallons for amounts greater than 50,000,000 gallons but less than 100,000,000 gallons per year;

(3) 0.15 cents per 1,000 gallons for amounts greater than 100,000,000 gallons but less than 150,000,000 gallons per year; and

(4) 0.20 cents per 1,000 gallons for amounts greater than 150,000,000 gallons but less than 200,000,000 gallons per year;

(5) 0.25 cents per 1,000 gallons for amounts greater than 200,000,000 gallons but less than 250,000,000 gallons per year;

(6) 0.30 cents per 1,000 gallons for amounts greater than 250,000,000 gallons but less than 300,000,000 gallons per year;

(7) 0.35 cents per 1,000 gallons for amounts greater than 300,000,000 gallons but less than 350,000,000 gallons per year;

(8) 0.40 cents per 1,000 gallons for amounts greater than 350,000,000 gallons but less than 400,000,000 gallons per year; and

(9) 0.45 cents per 1,000 gallons for amounts greater than 400,000,000 gallons per year.

(b) For once-through cooling systems, 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) for nonprofit corporations and school districts:

(i) 5.0 cents per 1,000 gallons until December 31, 1991;

(ii) 10.0 cents per 1,000 gallons from January 1, 1992, until December 31, 1996; and

(iii) 15.0 cents per 1,000 gallons after January 1, 1997; and

(2) for all other users after January 1, 1990, 20 cents per 1,000 gallons.

(c) The fee is payable based on the amount of water appropriated during the year and ~~in no case may, except as provided in paragraph (f), the minimum fee be less than is \$50. The commissioner shall notify all permittees of the fee changes authorized by this law by July 1, 1990. The commissioner is authorized to refund 1989 water use report processing fees under this subdivision.~~

(d) For water use processing fees other than once-through cooling systems:

(1) the fee for a city of the first class may not exceed \$175,000 per year;

(2) the fee for other entities for any permitted use may not exceed:

(i) \$35,000 per year for an entity holding three or fewer permits;

(ii) \$50,000 per year for an entity holding four or five permits;

(iii) \$175,000 per year for an entity holding more than five permits;

(3) the fee for agricultural irrigation may not exceed \$750 per year.

(e) Failure to pay the fee is sufficient cause for revoking a permit. A fee may not be imposed on an agency, as defined in section 16B.01, subdivision 2, or federal governmental agency holding a water appropriation permit.

(f) The minimum water use processing fee for a permit issued for irrigation of agricultural land is \$10 for years in which:

(1) there is no appropriation of water under the permit; or

(2) the permit is suspended for more than seven consecutive days between May 1 and October 1.

(g) For once-through systems fees payable after July 1, 1993, at least 50 percent of the fee deposited in the general fund shall be used for grants, loans, or other financial assistance as appropriated by the legislature to assist in financing retrofitting of permitted once-through systems until December 31, 1999. The commissioner shall adopt rules for determining eligibility and criteria for the issuance of grants, loans, or other financial assistance for retrofitting according to chapter 14, by July 1, 1993.

~~(g) This subdivision applies to permits issued or effective on or after January 1, 1990."~~

Page 1, line 6, delete "Section 1." and insert "Sec. 2."

Amend the title as follows:

Page 1, line 2, after the semicolon insert "changing certain water use processing fees;"

Page 1, line 4, after "marketing" insert "; amending Minnesota Statutes 1990, section 103G.271, subdivision 6"

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. 1127, A bill for an act relating to human services; establishing an advisory council; requiring a plan to simplify rules and regulations governing services to persons with developmental disabilities and related conditions.

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. 1152, A bill for an act relating to motor vehicles; authorizing the registrar of motor vehicles to prorate the original registration on groups of passenger motor vehicles presented to St. Paul by a lessor; amending Minnesota Statutes 1990, section 168.017, subdivision 3.

Reported the same back with the following amendments:

Page 2, line 1, delete "such other locations" and insert "deputy registrar offices"

Page 2, line 10, delete "bill" and insert "act"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 31, 552, 728 and 1589 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1019, 1466, 1127 and 1152 were read for the second time.

**INTRODUCTION AND FIRST READING
OF HOUSE BILLS**

The following House Files were introduced:

Rodosovich introduced:

H. F. No. 1699, A bill for an act relating to the legislature; changing the boundaries of legislative districts; amending Minnesota Statutes 1990, section 2.031, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 2; repealing Minnesota Statutes 1990, sections 2.019; and 2.042 to 2.702.

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

Schafer introduced:

H. F. No. 1700, A bill for an act relating to historical sites; designating the old Sibley county courthouse as an additional site; amending Minnesota Statutes 1990, section 138.56, by adding a subdivision.

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

Steensma, Kalis, Munger, Uphus and Lieder introduced:

H. F. No. 1701, A bill for an act relating to railroads; authorizing expenditure of rail service improvement account money for maintenance of rail lines and rights-of-way in the rail bank; authorizing the commissioner of transportation to acquire abandoned rail lines and rights-of-way by eminent domain; eliminating requirement to offer state rail bank property to adjacent land owners; amending Minnesota Statutes 1990, sections 222.50, subdivision 7; 222.63, subdivisions 2, 2a, and 4; repealing Minnesota Statutes 1990, section 222.63, subdivision 5.

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

Rest and Vellenga introduced:

H. F. No. 1702, A bill for an act relating to adoption; providing for release of birth information to adopted persons; amending Minnesota Statutes 1990, sections 259.49, subdivisions 1, 4, 5, and by adding a subdivision; repealing Minnesota Statutes 1990, section 259.49, subdivisions 2 and 3.

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

Orfield introduced:

H. F. No. 1703, A bill for an act relating to taxation; property; reducing the class rate applied to certain homesteads; amending Minnesota Statutes 1990, section 273.13, subdivision 22.

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

Long, Wagenius, Munger, Ozment and Orfield introduced:

H. F. No. 1704, A bill for an act relating to the environment; moving from the office of waste management to the environmental quality board the responsibility for supplementary review of the siting of waste facilities; amending the planning and siting process for new large solid waste management facilities and expansions of facilities to provide for earlier environmental review and public participation processes; amending Minnesota Statutes 1990, section 115A.32; proposing coding for new law in Minnesota Statutes, chapter 115A.

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

HOUSE ADVISORIES

The following House Advisories were introduced:

Solberg, Kahn, Vellenga and Bishop introduced:

H. A. No. 30, A proposal to study the Federal treaties with the Indians of Minnesota.

The advisory was referred to the Committee on Judiciary.

Solberg, Vellenga and Bishop introduced:

H. A. No. 31, A proposal to study the public defense system.

The advisory was referred to the Committee on Judiciary.

Johnson, R.; Reding; Knickerbocker; O'Connor and Jefferson introduced:

H. A. No. 32, A proposal to study public employee deferred compensation systems in Minnesota.

The advisory was referred to the Committee on Governmental Operations.

Clark, Begich, Winter, Jaros and Dawkins introduced:

H. A. No. 33, A proposal to monitor *military spending patterns* in Minnesota and make recommendations to preserve jobs.

The advisory was referred to the Committee on Economic Development.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 365, A bill for an act relating to courts; providing that the sheriff shall not charge for certain duties performed; amending Minnesota Statutes 1990, section 563.01, subdivision 4.

H. F. No. 696, A bill for an act relating to education; revising membership requirements for joint vocational technical boards; authorizing joint vocational technical boards to appoint additional members; amending Minnesota Statutes 1990, section 136C.61, subdivision 1; and by adding a subdivision.

H. F. No. 1127, A bill for an act relating to utilities; prohibiting multiparty line telephone service to more than two subscribers per line; proposing coding for new law in Minnesota Statutes, chapter 237.

H. F. No. 1657, A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

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. 564, A bill for an act relating to telephones; exempting certain providers of telephone service from regulation by the public utilities commission; requiring hotels, motels, and other establishments to provide notice of separate charges for use of telephones and notice of which long distance carriers provide service to telephones in the establishments; proposing coding for new law in Minnesota Statutes, chapters 237 and 325F.

H. F. No. 1189, A bill for an act relating to counties; permitting counties to spend money for broadcast facilities; amending Minnesota Statutes 1990, section 375.164.

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. 815, A bill for an act relating to insurance; the Minnesota comprehensive health insurance plan; regulating premium determinations, meetings, and experimental delivery and managed care delivery methods; authorizing preferred provider networks; classifying PPO agreement data; regulating access; amending Minnesota Statutes 1990, sections 13.71, by adding a subdivision; 62E.08, by adding a subdivision; 62E.10, subdivisions 4 and 9; 62E.12; 62E.13, by adding a subdivision; and 62E.14, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 62E.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Skoglund moved that the House concur in the Senate amendments to H. F. No. 815 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 815, A bill for an act relating to insurance; the Minnesota comprehensive health insurance plan; regulating premium determinations, meetings, and experimental delivery and managed care delivery methods; authorizing preferred provider networks; classifying PPO agreement data; regulating access; amending Minnesota Statutes 1990, sections 13.71, by adding a subdivision; 62E.08, by adding a subdivision; 62E.10, subdivisions 4 and 9; 62E.12; 62E.13, by adding a subdivision; and 62E.14, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 62E.

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	Frerichs	Knickerbocker	Olson, E.	Smith
Anderson, I.	Garcia	Koppendrayner	Olson, K.	Solberg
Anderson, R. H.	Girard	Krinkie	Omann	Sparby
Battaglia	Goodno	Krueger	Onnen	Stanius
Bauerly	Greenfield	Lasley	Orenstein	Steensma
Beard	Gruenes	Leppik	Orfield	Sviggum
Begich	Gutknecht	Lieder	Osthoff	Swenson
Bertram	Hanson	Limmer	Ostrom	Thompson
Bettermann	Hartle	Long	Ozment	Tompkins
Bishop	Hasskamp	Lourey	Pellow	Trimble
Blatz	Haukoos	Lynch	Pelowski	Tunheim
Bodahl	Hausman	Macklin	Peterson	Uphus
Boo	Heir	Mariani	Pugh	Valento
Brown	Henry	Marsh	Reding	Vellenga
Carlson	Hufnagle	McEachern	Rest	Wagenius
Carruthers	Hugoson	McGuire	Rice	Waltman
Clark	Jacobs	McPherson	Rodosovich	Weaver
Cooper	Janezich	Milbert	Rukavina	Wejman
Dauner	Jefferson	Morrison	Runbeck	Welker
Dauids	Jennings	Munger	Sarna	Welle
Dawkins	Johnson, A.	Murphy	Schafer	Wenzel
Dempsey	Johnson, R.	Nelson, K.	Scheid	Winter
Dille	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Dorn	Kahn	Newinski	Seaberg	
Erhardt	Kalis	O'Connor	Segal	
Farrell	Kelso	Ogren	Simoneau	
Frederick	Kinkel	Olsen, S.	Skoglund	

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. 1001, A bill for an act relating to game and fish; authorizing radio communication between a handler and dog; amending Minnesota Statutes 1990, section 97B.085, by adding a subdivision.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Trimble moved that the House concur in the Senate amendments to H. F. No. 1001 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1001, A bill for an act relating to game and fish; authorizing radio communication between a handler and dog; amending Minnesota Statutes 1990, section 97B.085, 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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Olsen, S.	Smith
Anderson, I.	Garcia	Knickerbocker	Olson, E.	Solberg
Anderson, R. H.	Girard	Koppendrayner	Olson, K.	Sparby
Battaglia	Goodno	Krinkie	Omann	Stanius
Bauerly	Greenfield	Krueger	Onnen	Steensma
Beard	Gruenes	Lasley	Orenstein	Sviggum
Begich	Gutknecht	Leppik	Orfield	Swenson
Bertram	Hanson	Lieder	Osthoff	Thompson
Bettermann	Hartle	Limmer	Ostrom	Tompkins
Bishop	Hasskamp	Long	Ozment	Trimble
Blatz	Haukoos	Lourey	Pellow	Tunheim
Bodahl	Hausman	Lynch	Pelowski	Uphus
Boo	Heir	Macklin	Peterson	Valento
Brown	Henry	Mariani	Pugh	Vellenga
Carlson	Hufnagle	Marsh	Reding	Wagenius
Carruthers	Hugoson	McEachern	Rest	Waltman
Clark	Jacobs	McGuire	Rice	Weaver
Cooper	Janezich	McPherson	Rodosovich	Wejzman
Dauner	Jaros	Milbert	Rukavina	Welker
Davids	Jefferson	Morrison	Runbeck	Welle
Dawkins	Jennings	Munger	Sarna	Wenzel
Dempsey	Johnson, A.	Murphy	Schafer	Winter
Dille	Johnson, R.	Nelson, K.	Scheid	Spk. Vanasek
Dorn	Johnson, V.	Nelson, S.	Schreiber	
Erhardt	Kahn	Newinski	Seaberg	
Farrell	Kalis	O'Connor	Segal	
Frederick	Kelso	Ogren	Simoneau	

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. 743, A bill for an act relating to the Red River watershed management board; changing the description of the area subject to special authority of watershed districts; requiring the board to adopt criteria for funding applications; clarifying the uses of levy proceeds; expanding the board's authority to cooperate with other entities; amending Laws 1976, chapter 162, sections 1 and 2, as amended, and 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Lieder moved that the House concur in the Senate amendments to H. F. No. 743 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 743, A bill for an act relating to the Red River watershed management board; changing the description of the area subject to special authority of watershed districts; requiring the board to adopt criteria for funding applications; clarifying the uses of levy proceeds; expanding the board's authority to cooperate with other entities; amending Laws 1976, chapter 162, sections 1 and 2, as amended, and 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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Clark	Gruenes	Johnson, A.	Lourey
Anderson, I.	Cooper	Gutknecht	Johnson, R.	Lynch
Anderson, R. H.	Dauner	Hanson	Johnson, V.	Macklin
Battaglia	Davids	Hartle	Kahn	Mariani
Bauerly	Dawkins	Hasskamp	Kalis	Marsh
Beard	Dempsey	Haukoos	Kelso	McEachern
Begich	Dille	Hausman	Kinkel	McGuire
Bertram	Dorn	Heir	Knickerbocker	McPherson
Bettermann	Erhardt	Henry	Koppendrayner	Milbert
Bishop	Farrell	Hufnagle	Krinkie	Morrison
Blatz	Frederick	Hugoson	Krueger	Munger
Bodahl	Frerichs	Jacobs	Lasley	Murphy
Boo	Garcia	Janezich	Leppik	Nelson, K.
Brown	Girard	Jaros	Lieder	Nelson, S.
Carlson	Goodno	Jefferson	Limmer	Newinski
Carruthers	Greenfield	Jennings	Long	O'Connor

Ogren	Pellow	Schafer	Steensma	Waltman
Olsen, S.	Pelowski	Scheid	Sviggum	Weaver
Olson, E.	Peterson	Schreiber	Swenson	Wejman
Olson, K.	Pugh	Seaberg	Thompson	Welker
Omman	Reding	Segal	Tompkins	Welle
Onnen	Rest	Simoneau	Trimble	Wenzel
Orenstein	Rice	Skoglund	Tunheim	Winter
Orfield	Rodosovich	Smith	Uphus	Spk. Vanasek
Osthoff	Rukavina	Solberg	Valento	
Ostrom	Runbeck	Sparby	Vellenga	
Ozment	Sarna	Stanius	Wagenius	

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. 424, A bill for an act relating to interscholastic athletics; providing that persons who assault a sports official may be excluded from certain events; proposing coding for new law in Minnesota Statutes, chapter 128C.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Sviggum moved that the House concur in the Senate amendments to H. F. No. 424 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 424, A bill for an act relating to interscholastic athletics; providing that persons who assault a sports official may be excluded from certain events; proposing coding for new law in Minnesota Statutes, chapter 128C.

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	Bertram	Carlson	Dempsey	Garcia
Anderson, I.	Bettermann	Carruthers	Dille	Girard
Anderson, R. H.	Bishop	Clark	Dorn	Goodno
Battaglia	Blatz	Cooper	Erhardt	Greenfield
Bauerly	Bodahl	Dauner	Farrell	Gruenes
Beard	Boo	Davids	Frederick	Gutknecht
Begich	Brown	Dawkins	Frerichs	Hanson

Hartle	Knickerbocker	Murphy	Reding	Swenson
Hasskamp	Koppendraye	Nelson, K.	Rest	Thompson
Haukoos	Krinkie	Nelson, S.	Rice	Tompkins
Hausman	Krueger	Newinski	Rodosovich	Trimble
Heir	Lasley	O'Connor	Rukavina	Tunheim
Henry	Leppik	Ogren	Runbeck	Uphus
Hufnagle	Lieder	Olsen, S.	Sarna	Valento
Hugoson	Limmer	Olson, E.	Schafer	Vellenga
Jacobs	Long	Olson, K.	Scheid	Wagenius
Janezich	Lourey	Omann	Schreiber	Waltman
Jaros	Lynch	Onnen	Seaberg	Weaver
Jefferson	Macklin	Orenstein	Segal	Wejcmán
Jennings	Mariani	Orfield	Simoneau	Welker
Johnson, A.	Marsh	Osthoff	Skoglund	Welle
Johnson, R.	McEachern	Ostrom	Smith	Wenzel
Johnson, V.	McGuire	Ozment	Solberg	Winter
Kahn	McPherson	Pellow	Sparby	Spk. Vanasek
Kalis	Milbert	Pelowski	Stanisus	
Kelso	Morrison	Peterson	Steensma	
Kinkel	Munger	Pugh	Sviggum	

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

The Speaker called Krueger to the Chair.

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. 551, A bill for an act relating to drivers' licenses; extending waiting period for person to receive limited driver's license who has been convicted of certain crimes; providing a penalty; amending Minnesota Statutes 1990, sections 171.17; and 171.30, subdivisions 2, 4, and by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

Hanson moved that the House concur in the Senate amendments to H. F. No. 551 and that the bill be repassed as amended by the Senate.

Swenson moved that the House refuse to concur in the Senate amendments to H. F. No. 551, 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. 85, A bill for an act relating to health; authorizing nursing homes with 100 or fewer beds that are located within 75 miles of each other to share an administrator; amending Minnesota Statutes 1990, section 144A.04, subdivision 5.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Olson, E., moved that the House concur in the Senate amendments to H. F. No. 85 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 85, A bill for an act relating to health; authorizing nursing homes with 150 or fewer beds that are located within 75 miles of each other to share an administrator; amending Minnesota Statutes 1990, section 144A.04, subdivision 5.

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	Dorn	Jefferson	McEachern	Pugh
Anderson, I.	Erhardt	Jennings	McGuire	Reding
Anderson, R. H.	Farrell	Johnson, A.	McPherson	Rest
Battaglia	Frederick	Johnson, R.	Milbert	Rice
Bauerly	Frerichs	Johnson, V.	Morrison	Rodosovich
Beard	Garcia	Kahn	Munger	Rukavina
Begich	Girard	Kalis	Murphy	Runbeck
Bertram	Goodno	Kelso	Nelson, K.	Sarna
Bettermann	Greenfield	Kinkel	Nelson, S.	Schafer
Bishop	Gruenes	Knickerbocker	Newinski	Scheid
Blatz	Gutknecht	Koppendrayner	O'Connor	Schreiber
Bodahl	Hanson	Krinkie	Ogren	Seaberg
Boo	Hartle	Krueger	Olsen, S.	Segal
Brown	Hasskamp	Lasley	Olson, E.	Simoneau
Carlson	Haukoos	Leppik	Olson, K.	Skoglund
Carruthers	Hausman	Lieder	Omann	Smith
Clark	Heir	Limmer	Onnen	Solberg
Cooper	Henry	Long	Orenstein	Sparby
Dauner	Hufnagle	Lourey	Osthoff	Stanisus
Davids	Hugoson	Lynch	Ostrom	Steensma
Dawkins	Jacobs	Macklin	Ozment	Sviggum
Dempsey	Janezich	Mariani	Pellow	Swenson
Dille	Jaros	Marsh	Peterson	Thompson

Tompkins
Trimble
Tunheim

Uphus
Valento
Vellenga

Wagenius
Waltman
Weaver

Wejeman
Welker
Welle

Wenzel
Winter
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. 716, A bill for an act relating to crime victims; requiring victims to be notified of offender's escape; requiring notification to victim of final disposition of case; waiving fees necessary to obtain a temporary restraining order for harassment if petitioner is indigent; amending Minnesota Statutes 1990, sections 609.748, subdivisions 3, 4, and 6; 611A.02, subdivision 2; and 611A.06; proposing coding for new law in Minnesota Statutes, chapter 611A.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Seaberg moved that the House concur in the Senate amendments to H. F. No. 716 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 716, A bill for an act relating to crime victims; requiring victims to be notified of offender's escape; requiring notification to victim of final disposition of case; waiving fees necessary to obtain a temporary restraining order for harassment if petitioner is indigent; modifying appointment of legislative members of the crime victim and witness advisory council; amending Minnesota Statutes 1990, sections 609.748, subdivisions 3 and 4; 611A.02, subdivision 2; 611A.06; and 611A.71, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 611A.

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
Anderson, I.
Anderson, R. H.
Battaglia

Bauerly
Beard
Begich
Bertram

Bettermann
Bishop
Blatz
Bodahl

Boo
Brown
Carlson
Carruthers

Clark
Cooper
Dauner
Davids

Dawkins	Jacobs	Macklin	Ostrom	Stanisus
Dempsey	Janezich	Mariani	Ozment	Steensma
Dille	Jaros	Marsh	Pellow	Sviggum
Dorn	Jefferson	McEachern	Pelowski	Swenson
Erhardt	Jennings	McGuire	Peterson	Thompson
Farrell	Johnson, A.	McPherson	Pugh	Tompkins
Frederick	Johnson, R.	Milbert	Reding	Trimble
Frerichs	Johnson, V.	Morrison	Rest	Tunheim
Garcia	Kahn	Munger	Rice	Uphus
Girard	Kalis	Murphy	Rodosovich	Valento
Goodno	Kelso	Nelson, K.	Rukavina	Vellenga
Greenfield	Kinkel	Nelson, S.	Runbeck	Wagenius
Gruenes	Knickerbocker	Newinski	Sarna	Waltman
Gutknecht	Koppendrayner	O'Connor	Schafer	Weaver
Hanson	Krinkie	Ogren	Scheid	Wejerman
Hartle	Krueger	Olsen, S.	Schreiber	Welker
Hasskamp	Lasley	Olson, E.	Seaberg	Welle
Haukoos	Leppik	Olson, K.	Segal	Wenzel
Hausman	Lieder	Omman	Simoneau	Winter
Heir	Limmer	Onnen	Skoglund	Spk. Vanasek
Henry	Long	Orenstein	Smith	
Hufnagle	Lourey	Orfield	Solberg	
Hugoson	Lynch	Osthoff	Sparby	

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. 154, A bill for an act relating to financial transactions; enacting conforming amendments to the Uniform Commercial Code proposed by the Uniform Laws Conference; proposing changes to articles relating to leases and bulk sales; amending Minnesota Statutes 1990, sections 47.015, by adding a subdivision; 336.1-105; 336.2-403; 336.2A-103; 336.2A-209; 336.2A-303; 336.2A-304; 336.2A-307; 336.2A-309; 336.2A-407; 336.2A-501; 336.2A-503; 336.2A-507; 336.2A-508; 336.2A-516; 336.2A-517; 336.2A-518; 336.2A-519; 336.2A-523; 336.2A-525; 336.2A-527; 336.2A-528; 336.2A-529; proposing coding for new law in Minnesota Statutes, chapter 336; repealing Minnesota Statutes 1990, sections 336.6-101 to 336.6-111; and 336.9-111.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Scheid moved that the House concur in the Senate amendments to H. F. No. 154 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 154, A bill for an act relating to the Uniform Commercial

Code; enacting conforming amendments proposed by the Uniform Laws Conference; proposing changes to articles relating to leases and bulk sales; amending Minnesota Statutes 1990, sections 336.1-105; 336.2-403; 336.2A-103; 336.2A-209; 336.2A-303; 336.2A-304; 336.2A-307; 336.2A-309; 336.2A-407; 336.2A-501; 336.2A-503; 336.2A-507; 336.2A-508; 336.2A-516; 336.2A-517; 336.2A-518; 336.2A-519; 336.2A-523; 336.2A-525; 336.2A-527; 336.2A-528; 336.2A-529; proposing coding for new law in Minnesota Statutes, chapter 336; repealing Minnesota Statutes 1990, sections 336.6-101 to 336.6-111; and 336.9-111.

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	Frerichs	Kinkel	Olsen, S.	Skoglund
Anderson, I.	Garcia	Knickerbocker	Olson, E.	Smith
Anderson, R. H.	Girard	Koppendrayer	Olson, K.	Solberg
Battaglia	Goodno	Krinkie	Omann	Sparby
Bauerly	Greenfield	Krueger	Onnen	Stanius
Beard	Gruenes	Lasley	Orenstein	Steensma
Begich	Gutknecht	Leppik	Orfield	Sviggum
Bertram	Hanson	Lieder	Osthoff	Swenson
Bettermann	Hartle	Limmer	Ostrom	Thompson
Bishop	Hasskamp	Long	Ozment	Tompkins
Blatz	Haukoos	Lourey	Pellow	Trimble
Bodahl	Hausman	Lynch	Pelowski	Tunheim
Boo	Heir	Macklin	Peterson	Uphus
Brown	Henry	Mariani	Pugh	Valento
Carlson	Hufnagle	Marsh	Reding	Vellenga
Carruthers	Hugoson	McEachern	Rest	Wagenius
Clark	Jacobs	McGuire	Rice	Waltman
Cooper	Janezich	McPherson	Rodosovich	Weaver
Dauner	Jaros	Milbert	Rukavina	Wejzman
Dauids	Jefferson	Morrison	Runbeck	Welker
Dawkins	Jennings	Munger	Sarna	Welle
Dempsey	Johnson, A.	Murphy	Schafer	Wenzel
Dille	Johnson, R.	Nelson, K.	Scheid	Winter
Dorn	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Erhardt	Kahn	Newinski	Seaberg	
Farrell	Kalis	O'Connor	Segal	
Frederick	Kelso	Ogren	Simoneau	

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. 870, A bill for an act relating to retirement; public

employees retirement fund police and fire consolidation accounts; permitting survivors of account members killed in the line of duty to elect coverage; proposing coding for new law in Minnesota Statutes, chapter 353A.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Pugh moved that the House concur in the Senate amendments to H. F. No. 870 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 870, A bill for an act relating to retirement; public employees retirement fund police and fire consolidation accounts; permitting survivors of account members killed in the line of duty to elect coverage; proposing coding for new law in Minnesota Statutes, chapter 353A.

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	Frerichs	Kinkel	Olsen, S.	Skoglund
Anderson, I.	Garcia	Knickerbocker	Olson, E.	Smith
Anderson, R. H.	Girard	Koppendrayer	Olson, K.	Solberg
Battaglia	Goodno	Krinkie	Omman	Sparby
Bauerly	Greenfield	Krueger	Onnen	Stanius
Bead	Gruenes	Lasley	Orenstein	Steensma
Begich	Gutknecht	Leppik	Orfield	Sviggum
Bertram	Hanson	Lieder	Osthoff	Swenson
Bettermann	Hartle	Limmer	Ostrom	Thompson
Bishop	Hasskamp	Long	Ozment	Tompkins
Blatz	Haukoos	Lourey	Pellow	Trimble
Bodahl	Hausman	Lynch	Pelowski	Tunheim
Boo	Heir	Macklin	Peterson	Uphus
Brown	Henry	Mariani	Pugh	Valento
Carlson	Hufnagle	Marsh	Reding	Vellenga
Carruthers	Hugoson	McEachern	Rest	Wagenius
Clark	Jacobs	McGuire	Rice	Waltman
Cooper	Janezich	McPherson	Rodosovich	Weaver
Dauner	Jaros	Milbert	Rukavina	Wejcman
Davids	Jefferson	Morrison	Runbeck	Welker
Dawkins	Jennings	Munger	Sarna	Welle
Dempsey	Johnson, A.	Murphy	Schafer	Wenzel
Dille	Johnson, R.	Nelson, K.	Scheid	Winter
Dorn	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Erhardt	Kahn	Newinski	Seaberg	
Farrell	Kalis	O'Connor	Segal	
Frederick	Kelso	Ogren	Simoneau	

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. 1197, A bill for an act relating to commerce; franchises; regulating assignments, transfers, and sales; amending Minnesota Statutes 1990, section 80C.14, subdivision 5, and by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

Bauerly moved that the House refuse to concur in the Senate amendments to H. F. No. 1197, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

S. F. Nos. 100, 1238, 1340, 820, 1402, 109, 740, 836 and 1182.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 100, A bill for an act relating to transportation; authorizing replacement funds for certain culverts and grading costs; authorizing certain assistance for bridge approaches from the town bridge account; amending Minnesota Statutes 1990, section 161.082, subdivision 2a.

The bill was read for the first time.

Steensma moved that S. F. No. 100 and H. F. No. 159, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1238, A bill for an act relating to the city of Richfield; authorizing the city to advance money to the commissioner of transportation to expedite construction of a frontage road within the

city; authorizing an agreement between the commissioner and the city; authorizing the city to issue bonds and requiring the commissioner to pay interest on the bonds up to a certain amount.

The bill was read for the first time.

Garcia moved that S. F. No. 1238 and H. F. No. 1377, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1340, A bill for an act relating to retirement; judges retirement fund; modifying the procedures for the payment of social security and retirement fund contributions; appropriating money for the payment of retirement fund employer contributions; amending Minnesota Statutes 1990, sections 355.392, subdivisions 2 and 3; and 490.123, subdivision 1.

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

S. F. No. 820, A bill for an act relating to the state agricultural society; providing some building and contracting exceptions; regulating real estate transactions; setting conditions for counties to assist state fair exhibits; amending Minnesota Statutes 1990, sections 37.02; 37.19; and 375.79; repealing Minnesota Statutes 1990, sections 375.80; 375.81; and 375.82.

The bill was read for the first time.

Osthoff moved that S. F. No. 820 and H. F. No. 883, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1402, A bill for an act relating to higher education; authorizing a study of potential uses for the Waseca campus of the University of Minnesota; appropriating money.

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

S. F. No. 109, A bill for an act relating to judicial administration; increasing fees; eliminating fees; decreasing the number of certified copies of marriage licenses prepared; expanding the probate surcharge to informal probate matters; amending Minnesota Statutes 1990, sections 357.021, subdivision 2; 517.101; and 525.5501, subdivision 2.

The bill was read for the first time.

Solberg moved that S. F. No. 109 and H. F. No. 78, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 740, A bill for an act relating to state finance; providing for the uses of imprest funds, the cancellation of warrants, the costs of data searches, the conditions, dollar limits, and uses of bonds, and certain account rules; appropriating money; amending Minnesota Statutes 1990, sections 13.03, subdivision 3; 15.191; subdivision 1; 16A.45, subdivision 1; 16A.641, subdivision 3; 16A.672, subdivision 9; 16A.721, subdivision 1; and 446A.12, subdivision 1.

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

S. F. No. 836, A bill for an act relating to education; appropriating money for construction on the St. Cloud State University campus.

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

S. F. No. 1182, A bill for an act relating to state buildings; requiring the commissioner of finance to prepare a debt capacity forecast covering the next six fiscal years and all types of debt instruments; requiring capital facilities notes; discontinuing sale of infrastructure development bonds, consolidating debt service for infrastructure development bonds in the general fund; requiring consultation with the capitol area architectural and planning board on building projects in the capitol area; requiring the commissioner of administration to review capital budget requests for state buildings; requiring a report; setting the debt service limit for the biennium ending June 30, 1991; appropriating money; amending Minnesota Statutes 1990, sections 16A.11, subdivisions 1 and 3, and by adding subdivisions; 16A.662, subdivisions 2, 4, and 5; and 349A.10, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 16A and 16B.

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

Speaker pro tempore Krueger called Bauerly to the Chair.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1179

A bill for an act relating to metropolitan government; directing the metropolitan council to conduct a study.

May 9, 1991

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. 1179, 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. 1179 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [FULLY DEVELOPED AREA; STUDY.]

The metropolitan council must conduct a study of the development patterns and needs in the council-defined fully developed area. The council must direct its staff to:

(1) examine both the development patterns and the migration patterns in the fully developed area that have occurred in the last 20 years with special attention to household composition;

(2) compare the relative public costs of redevelopment in the fully developed area with the costs of development within the council-defined developing area. This work should include, but is not limited to, transportation and transit, wastewater treatment, public safety services, housing, and education;

(3) examine the changing demographics of the fully developed area and other areas within the metropolitan region, and make projections regarding the economic and social condition of the fully developed area;

(4) examine the anticipated effects of a light rail transit system on the economic and social condition of the fully developed area; and

(5) recommend changes that would encourage the economic and social strengthening of the fully developed area.

In conducting its study, the council must use, along with other information, any available data from the 1990 census. The council must present its findings to the legislature by February 15, 1994. The council must also present interim briefings to the legislature on work in progress at least annually between the effective date of this act and the completion of the study.

Sec. 2. [473.1631] [LEGISLATIVE REVIEW.]

All metropolitan agencies shall file their budgets with the secretary of the senate and the clerk of the house of representatives on January 15 of the first year of each biennium for review by the committees of each body that have jurisdiction over the metropolitan agencies.

Sec. 3. [APPLICATION.]

This act applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Delete the title and insert:

"A bill for an act relating to metropolitan government; providing for legislative review of metropolitan agency budgets; directing the metropolitan council to conduct a study; proposing coding for new law in Minnesota Statutes, chapter 473."

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

House Conferees: MYRON W. ORFIELD, EDWINA GARCIA AND PEGGY LEPIK.

Senate Conferees: TED A. MONDALE, JANE B. RANUM AND TERRY D. JOHNSTON.

Orfield moved that the report of the Conference Committee on H. F. No. 1179 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1179, A bill for an act relating to metropolitan government; directing the metropolitan council to conduct a study.

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	Frerichs	Knickerbocker	Olson, E.	Smith
Anderson, I.	Garcia	Koppendrayer	Olson, K.	Solberg
Anderson, R. H.	Girard	Krinkie	Omann	Sparby
Battaglia	Goodno	Krueger	Onnen	Stanius
Bauerly	Greenfield	Lasley	Orenstein	Steensma
Beard	Gruenes	Leppik	Orfield	Sviggum
Begich	Gutknecht	Lieder	Osthoff	Swenson
Bertram	Hanson	Limmer	Ostrom	Thompson
Bettermann	Hartle	Long	Ozment	Tompkins
Bishop	Haskamp	Lourey	Pellow	Trimble
Blatz	Haukoos	Lynch	Pelowski	Tunheim
Bodahl	Hausman	Macklin	Peterson	Uphus
Boo	Heir	Mariani	Pugh	Valento
Brown	Henry	Marsh	Reding	Vellenga
Carlson	Hufnagle	McEachern	Rest	Wagenius
Carruthers	Hugoson	McGuire	Rice	Waltman
Clark	Jacobs	McPherson	Rodosovich	Weaver
Cooper	Janezich	Milbert	Rukavina	Wejcman
Dauner	Jaros	Morrison	Runbeck	Welker
Davids	Jefferson	Munger	Sarna	Welle
Dawkins	Johnson, A.	Murphy	Schafer	Wenzel
Dempsey	Johnson, R.	Nelson, K.	Scheid	Winter
Dille	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Dorn	Kahn	Newinski	Seaberg	
Erhardt	Kalis	O'Connor	Segal	
Farrell	Kelso	Ogren	Simoneau	
Frederick	Kinkel	Olsen, S.	Skoglund	

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

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Simoneau requested immediate consideration of H. F. Nos. 930 and 543; S. F. No. 269; H. F. Nos. 1387, 761 and 734; S. F. Nos. 510, 526, 525 and 208; H. F. No. 1109 and S. F. No. 783.

H. F. No. 930 was reported to the House.

Trimble moved to amend H. F. No. 930, the second engrossment, as follows:

Page 2, delete lines 3 and 4

Page 2, line 5, delete "(3)" and insert "(2)"

Page 2, after line 6, insert:

"(3) one member of a public post-secondary system, other than the University of Minnesota, who is involved in the area of technology, appointed by the higher education coordinating board,"

The motion prevailed and the amendment was adopted.

H. F. No. 930, A bill for an act relating to economic development; changing the name of the Greater Minnesota Corporation; adding duties; providing for a new structure for the board of directors; amending Minnesota Statutes 1990, sections 116O.03, subdivision 2; 116O.04, subdivision 2; 116O.05, subdivision 2; and 116O.09, subdivision 3, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 116O; repealing Minnesota Statutes 1990, sections 116J.970; 116J.971; and 116O.03, subdivision 2a.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Olson, E.	Smith
Anderson, I.	Garcia	Knickerbocker	Olson, K.	Solberg
Anderson, R. H.	Girard	Koppendrayner	Omman	Sparby
Battaglia	Goodno	Krueger	Onnen	Stanius
Bauerly	Greenfield	Lasley	Orenstein	Steensma
Beard	Gruenes	Leppik	Orfield	Sviggum
Begich	Gutknecht	Lieder	Osthoff	Swenson
Bertram	Hanson	Limmer	Ostrom	Thompson
Bettermann	Hartle	Long	Ozment	Tompkins
Bishop	Hasskamp	Lourey	Pellow	Trimble
Blatz	Haukoos	Lynch	Pelowski	Tunheim
Bodahl	Hausman	Macklin	Peterson	Uphus
Boo	Heir	Mariani	Pugh	Valento
Brown	Henry	Marsh	Reding	Vellenga
Carlson	Hufnagle	McEachern	Rest	Wagenius
Carruthers	Hugoson	McGuire	Rice	Waltman
Clark	Jacobs	McPherson	Rodosovich	Weaver
Cooper	Janezich	Milbert	Rukavina	Wejcman
Dauner	Jaros	Morrison	Runbeck	Welker
Davids	Jefferson	Munger	Sarna	Welle
Dawkins	Jennings	Murphy	Schafer	Wenzel
Dempsey	Johnson, A.	Nelson, K.	Scheid	Winter
Dille	Johnson, R.	Nelson, S.	Schreiber	Spk. Vanasek
Dorn	Johnson, V.	Newinski	Seaberg	
Erhardt	Kahn	O'Connor	Segal	
Farrell	Kalis	Ogren	Simoneau	
Frederick	Kelso	Olsen, S.	Skoglund	

Those who voted in the negative were:

Krinkie

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

H. F. No. 543, A bill for an act relating to human services; providing funding for various pilot projects.

The bill was read for the third time and placed upon its final passage.

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

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Olsen, S.	Skoglund
Anderson, I.	Garcia	Knickerbocker	Olson, E.	Smith
Anderson, R. H.	Girard	Koppendrayer	Olson, K.	Solberg
Battaglia	Goodno	Krinkie	Omann	Sparby
Bauerly	Greenfield	Krueger	Onnen	Stanius
Beard	Gruenes	Lasley	Orenstein	Steensma
Begich	Gutknecht	Leppik	Orfield	Sviggum
Bertram	Hanson	Lieder	Osthoff	Swenson
Bettermann	Hartle	Limmer	Ostrom	Thompson
Bishop	Hasskamp	Long	Ozment	Tompkins
Blatz	Haukoos	Lourey	Pellow	Trimble
Bodahl	Hausman	Lynch	Pelowski	Tunheim
Boo	Heir	Macklin	Peterson	Uphus
Brown	Henry	Mariani	Pugh	Valento
Carlson	Hufnagle	Marsh	Reding	Vellenga
Carruthers	Hugoson	McEachern	Rest	Wagenius
Clark	Jacobs	McGuire	Rice	Waltman
Cooper	Janezich	McPherson	Rodosovich	Weaver
Dauner	Jaros	Milbert	Rukavina	Wejcmán
Davids	Jefferson	Morrison	Runbeck	Welker
Dawkins	Jennings	Munger	Sarna	Welle
Dempsey	Johnson, A.	Murphy	Schafer	Wenzel
Dille	Johnson, R.	Nelson, K.	Scheid	Winter
Dorn	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Erhardt	Kahn	Newinski	Seaberg	
Farrell	Kalis	O'Connor	Segal	
Frederick	Kelso	Ogren	Simoneau	

The bill was passed and its title agreed to.

S. F. No. 269, A bill for an act relating to liquor; requiring posting of certain signs in licensed premises; amending Minnesota Statutes 1990, section 340A.410, by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 8 nays as follows:

Those who voted in the affirmative were:

Abrams	Anderson, R. H.	Bauerly	Begich	Bettermann
Anderson, I.	Battaglia	Beard	Bertram	Bishop

Blatz	Hasskamp	Leppik	Olson, K.	Skoglund
Bodahl	Haukoos	Lieder	Onnen	Smith
Boo	Hausman	Limmer	Orenstein	Solberg
Brown	Heir	Long	Orfield	Sparby
Carlson	Henry	Lourey	Osthoff	Stanius
Carruthers	Hufnagle	Lynch	Ozment	Steensma
Clark	Hugoson	Macklin	Pellow	Swenson
Cooper	Jacobs	Mariani	Pelowski	Thompson
Dauner	Janezich	Marsh	Peterson	Trimble
Dawkins	Jaros	McEachern	Pugh	Tunheim
Dempsey	Jefferson	McGuire	Reding	Uphus
Dille	Jennings	McPherson	Rest	Valento
Dorn	Johnson, A.	Milbert	Rice	Vellenga
Erhardt	Johnson, R.	Morrison	Rodosovich	Wagenius
Farrell	Johnson, V.	Munger	Rukavina	Waltman
Frederick	Kahn	Murphy	Runbeck	Weaver
Garcia	Kalis	Nelson, K.	Sarna	Wejcmán
Girard	Kelso	Nelson, S.	Schafer	Welle
Greenfield	Kinkel	Newinski	Scheid	Wenzel
Gruenes	Knickerbocker	O'Connor	Schreiber	Winter
Gutknecht	Koppendrayer	Ogren	Seaberg	Spk. Vanasek
Hanson	Krueger	Olsen, S.	Segal	
Hartle	Lasley	Olson, E.	Simoneau	

Those who voted in the negative were:

Davids	Goodno	Omann	Svigggum
Frerichs	Krinkie	Ostrom	Welker

The bill was passed and its title agreed to.

H. F. No. 1387 was reported to the House.

Anderson, I., moved to amend H. F. No. 1387, the first engrossment, as follows:

Page 1, after line 8, insert:

“Section 1. Minnesota Statutes 1990, 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 also may lease land or premises for 20 years or less, subject to the 30-day cancellation, if the lessor is a political subdivision or other instrument of state government.

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 build-

ings or substantial portions of buildings within the capitol area, the commissioner shall require that any new construction of non-state-owned buildings conform to design guidelines of the capitol area architectural and planning board. Lands needed by the department of transportation for storage of vehicles or road materials may be rented for five years or less, such leases for terms over two years being subject to cancellation upon 30 days written notice by the state for any reason except rental of other land or premises for the same use. An agency or department head must consult with the chairs of the house appropriations and senate finance committees before entering into any agreement that would cause an agency's rental costs to increase by ten percent or more per square foot or would increase the number of square feet of office space rented by the agency by 25 percent or more in any fiscal year.

(b) [USE VACANT PUBLIC SPACE.] No agency may initiate or renew a lease for space for its own use in a private building unless the commissioner has thoroughly investigated presently vacant space in public buildings, such as closed school buildings, and found that none is available.

(c) [PREFERENCE FOR CERTAIN BUILDINGS.] For needs beyond those which can be accommodated in state-owned buildings, the commissioner shall acquire and utilize space in suitable buildings of historical, architectural, or cultural significance for the purposes of this subdivision unless use of that space is not feasible, prudent and cost effective compared with available alternatives. Buildings are of historical, architectural, or cultural significance if they are listed on the national register of historic places, designated by a state or county historical society, or designated by a municipal preservation commission.

(d) [RECYCLING SPACE.] Leases for space of 30 days or more for 5,000 square feet or more must require that space be provided for recyclable materials."

Renumber the sections in sequence

Correct internal references

Delete the title and insert:

"A bill for an act relating to public administration; permitting certain leases; requiring that legislative hearing rooms and the house and senate chambers be fitted with devices to aid the hearing-impaired; appropriating money; amending Minnesota Statutes 1990, sections 16B.61, by adding a subdivision; and 16B.24, subdivision 6."

The motion prevailed and the amendment was adopted.

H. F. No. 1387, A bill for an act relating to public administration; permitting certain leases; requiring that legislative hearing rooms and the house and senate chambers be fitted with devices to aid the hearing-impaired; appropriating money; amending Minnesota Statutes 1990, sections 16B.61, by adding a subdivision; and 16B.24, 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 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Ferichs	Kinkel	Olson, E.	Smith
Anderson, I.	Garcia	Knickerbocker	Olson, K.	Solberg
Anderson, R. H.	Girard	Koppendrayer	Omann	Sparby
Battaglia	Goodno	Krinkie	Onnen	Stanius
Bauerly	Gruenes	Krueger	Orenstein	Steenasma
Beard	Gutknecht	Lasley	Orfield	Sviggum
Begich	Hanson	Leppik	Osthoff	Swenson
Bertram	Hartle	Lieder	Ostrom	Thompson
Bettermann	Hasskamp	Limmer	Ozment	Tompkins
Blatz	Haukoos	Long	Pellow	Trimble
Bodahl	Hausman	Lourey	Pelowski	Tunheim
Boo	Heir	Lynch	Peterson	Uphus
Brown	Henry	Macklin	Pugh	Valento
Carlson	Hufnagle	Mariani	Reding	Vellenga
Carruthers	Hugoson	Marsh	Rice	Wagenius
Clark	Jacobs	McEachern	Rodosovich	Waltman
Cooper	Janezich	McGuire	Rukavina	Weaver
Dauner	Jaros	McPherson	Runbeck	Wejzman
Dauids	Jefferson	Milbert	Sarna	Welker
Dawkins	Jennings	Morrison	Schafer	Welle
Dempsey	Johnson, A.	Munger	Scheid	Wenzel
Dille	Johnson, R.	Murphy	Schreiber	Winter
Dorn	Johnson, V.	Nelson, S.	Seaberg	Spk. Vanasek
Erhardt	Kahn	Newinski	Segal	
Farrell	Kalis	O'Connor	Simoneau	
Frederick	Kelso	Olsen, S.	Skoglund	

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

H. F. No. 761, A bill for an act relating to education; permitting the state board of technical colleges to develop training materials for people who provide services to people with developmental disabilities; creating an advisory task force; requiring a report.

The bill was read for the third time and placed upon its final passage.

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

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Olsen, S.	Skoglund
Anderson, I.	Garcia	Knickerbocker	Olson, E.	Smith
Anderson, R. H.	Girard	Koppendrayer	Olson, K.	Solberg
Battaglia	Goodno	Krinkie	Omann	Sparby
Bauerly	Greenfield	Krueger	Onnen	Stanius
Beard	Gruenes	Lasley	Orenstein	Steensma
Begich	Gutknecht	Leppik	Orfield	Sviggum
Bertram	Hanson	Lieder	Osthoff	Swenson
Bettermann	Hartle	Limmer	Ostrom	Thompson
Bishop	Hasskamp	Long	Ozment	Tompkins
Blatz	Haukoos	Lourey	Pellow	Trimble
Bodahl	Hausman	Lynch	Pelowski	Tunheim
Boo	Heir	Macklin	Peterson	Uphus
Brown	Henry	Mariani	Pugh	Valento
Carlson	Hufnagle	Marsh	Reding	Vellenga
Carruthers	Hugoson	McEachern	Rest	Wagenius
Clark	Jacobs	McGuire	Rice	Waltman
Cooper	Janezich	McPherson	Rodosovich	Weaver
Dauner	Jaros	Milbert	Rukavina	Wejzman
Davids	Jefferson	Morrison	Runbeck	Welker
Dawkins	Jennings	Munger	Sarna	Welle
Dempsey	Johnson, A.	Murphy	Schafer	Wenzel
Dille	Johnson, R.	Nelson, K.	Scheid	Winter
Dorn	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Erhardt	Kahn	Newinski	Seaberg	
Farrell	Kalis	O'Connor	Segal	
Frederick	Kelso	Ogren	Simoneau	

The bill was passed and its title agreed to.

H. F. No. 734, A bill for an act relating to transportation; regulating limousine service; adding identification to license plates; requiring the commissioner of transportation to adopt rules relating to limousine permits; appropriating money; amending Minnesota Statutes 1990, sections 168.011, subdivision 35; 168.128, subdivisions 2 and 3; 221.025; and 221.091; proposing coding for new law in Minnesota Statutes, chapter 221.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Abrams	Blatz	Dawkins	Greenfield	Hugoson
Anderson, I.	Bodahl	Dempsey	Gruenes	Jacobs
Anderson, R. H.	Boo	Dille	Gutknecht	Janezich
Battaglia	Brown	Dorn	Hanson	Jaros
Bauerly	Carlson	Erhardt	Hartle	Jefferson
Beard	Carruthers	Farrell	Hasskamp	Jennings
Begich	Clark	Frederick	Hausman	Johnson, A.
Bertram	Cooper	Frerichs	Heir	Johnson, R.
Bettermann	Dauner	Garcia	Henry	Johnson, V.
Bishop	Davids	Girard	Hufnagle	Kahn

Kalis	McEachern	Onnen	Sarna	Tunheim
Kelso	McGuire	Orenstein	Schafer	Uphus
Kinkel	McPherson	Orfield	Scheid	Valento
Knickerbocker	Milbert	Osthoff	Schreiber	Vellenga
Krinkie	Morrison	Ostrom	Seaberg	Wagenius
Krueger	Munger	Ozment	Segal	Waltman
Lasley	Murphy	Pellow	Simoneau	Weaver
Leppik	Nelson, K.	Pelowski	Skoglund	Wejzman
Lieder	Nelson, S.	Peterson	Solberg	Welle
Limmer	Newinski	Pugh	Sparby	Wenzel
Long	O'Connor	Reding	Stanisus	Winter
Lourey	Ogren	Rest	Steensma	Spk. Vanasek
Lynch	Olsen, S.	Rice	Swenson	
Macklin	Olson, E.	Rodosovich	Thompson	
Mariani	Olson, K.	Rukavina	Tompkins	
Marsh	Omann	Runbeck	Trimble	

Those who voted in the negative were:

Goodno	Koppendrayner	Sviggum
Haukoos	Smith	Welker

The bill was passed and its title agreed to.

S. F. No. 510 was reported to the House.

Olson, K.; Kalis; Uphus; Steensma and Bertram moved to amend S. F. No. 510, the unofficial engrossment, as follows:

Page 6, after line 13, insert:

“Sec. 16. [SURVEY OF MEAT PROCESSORS.]

Subdivision 1. [SURVEY.] The commissioner of agriculture shall conduct a survey of meat handlers to determine the level of interest in establishing a state meat inspection program. The survey must be based on a methodology that will inform survey participants of the costs and other implications of a state meat inspection program meeting federal meat inspection requirements.

Subd. 2. [REPORT.] Not later than February 1, 1992, the commissioner of agriculture shall report to the agriculture committees of the senate and the house of representatives on findings of the survey required in subdivision 1 and any legislative recommendations.

Sec. 17. [APPROPRIATION.]

\$10,000 is appropriated from the general fund to the commissioner of agriculture for the study and report required in section 16.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon insert: "requiring the commissioner of agriculture to survey certain meat processors to determine interest in a state meat inspection program; requiring a report; appropriating money;"

The motion prevailed and the amendment was adopted.

S. F. No. 510, A bill for an act relating to agriculture; changing the egg law; imposing a penalty; amending Minnesota Statutes 1990, sections 29.21, by adding subdivisions; 29.23; 29.235; 29.26; and 29.27; proposing coding for new law in Minnesota Statutes, chapter 29.

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	Kinkel	Olson, E.	Solberg
Anderson, I.	Frerichs	Knickerbocker	Olson, K.	Sparby
Anderson, R. H.	Garcia	Krinkie	Omann	Stanius
Battaglia	Girard	Krueger	Onnen	Steenasma
Bauerly	Goodno	Lasley	Orenstein	Sviggum
Beard	Gruenes	Leppik	Orfield	Swenson
Begich	Gutknecht	Lieder	Osthoff	Thompson
Bertram	Hanson	Limmer	Ostrom	Tompkins
Bettermann	Hartle	Long	Ozment	Trimble
Bishop	Hasskamp	Lourey	Pellow	Tunheim
Blatz	Haukoos	Lynch	Pelowski	Uphus
Bodahl	Hausman	Macklin	Peterson	Valento
Boo	Heir	Mariani	Pugh	Vellenga
Brown	Henry	Marsh	Reding	Wagenius
Carlson	Hufnagle	McEachern	Rice	Waltman
Carruthers	Hugoson	McGuire	Rodosovich	Weaver
Clark	Jacobs	McPherson	Rukavina	Wejcman
Cooper	Janezich	Milbert	Runbeck	Welker
Dauner	Jaros	Morrison	Sarna	Welle
Dauids	Jefferson	Munger	Scheid	Wenzel
Dawkins	Jennings	Murphy	Schreiber	Winter
Dempsey	Johnson, A.	Nelson, S.	Seaberg	Spk. Vanasek
Dille	Johnson, R.	Newinski	Segal	
Dorn	Kahn	O'Connor	Simoneau	
Erhardt	Kalis	Ogren	Skoglund	
Farrell	Kelso	Olsen, S.	Smith	

Those who voted in the negative were:

Koppendraye

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

S. F. No. 526, A bill for an act relating to crime; sentencing; clarifying and revising the intensive community supervision program; amending Minnesota Statutes 1990, sections 244.05, subdivision 6; 244.12; 244.13; 244.14; and 244.15.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kelso	O'Connor	Seaberg
Anderson, I.	Garcia	Kinkel	Ogren	Segal
Battaglia	Girard	Knickerbocker	Olsen, S.	Simoneau
Bauerly	Goodno	Koppendraye	Olson, E.	Skoglund
Beard	Greenfield	Krinkie	Olson, K.	Smith
Begich	Gruenes	Krueger	Omann	Solberg
Bertram	Gutknecht	Lasley	Onnen	Sparby
Bettermann	Hanson	Leppik	Orenstein	Steensma
Bishop	Hartle	Lieder	Orfield	Sviggum
Blatz	Hasskamp	Limmer	Osthoff	Swenson
Bodahl	Haukoos	Long	Ostrom	Thompson
Boo	Hausman	Lourey	Ozment	Tompkins
Brown	Heir	Lynch	Pellow	Trimble
Carlson	Henry	Macklin	Pelowski	Tunheim
Carruthers	Hufnagle	Mariani	Peterson	Uphus
Clark	Hugoson	Marsh	Pugh	Valento
Cooper	Jacobs	McEachern	Reding	Vellenga
Dauner	Janezich	McGuire	Rest	Wagenius
Davidis	Jaros	McPherson	Rice	Waltman
Dawkins	Jefferson	Milbert	Rodosovich	Weaver
Dempsey	Jennings	Morrison	Rukavina	Wejzman
Dille	Johnson, A.	Munger	Runbeck	Welker
Dorn	Johnson, R.	Murphy	Sarna	Weile
Erhardt	Johnson, V.	Nelson, K.	Schafer	Wenzel
Farrell	Kahn	Nelson, S.	Scheid	Winter
Frederick	Kalis	Newinski	Schreiber	Spk. Vanasek

The bill was passed and its title agreed to.

S. F. No. 525 was reported to the House.

Vellenga and Orenstein moved to amend S. F. No. 525, the unofficial engrossment, as follows:

Page 2, delete lines 11 to 14, and insert:

“means any residential real property consisting of more than four rental units that is owned by a political subdivision or the federal government and leased to persons and families of low or moderate income as defined in section 462A.03, subdivision 10, plus the area

within 300 feet of the property's boundary, or one city block, whichever distance is greater."

Page 6, line 21, after the semicolon, insert: "representatives of racial and ethnic minority communities;"

Page 6, line 21, after "and" insert "other"

The motion prevailed and the amendment was adopted.

Orenstein, Solberg, Vellenga and Marsh moved to amend S. F. No. 525, the unofficial engrossment, as amended, as follows:

Page 4, after line 20, insert:

"Sec. 8. Minnesota Statutes 1990, 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. An injurious or dangerous environment may include, but is not limited to, the exposure of a child to criminal activity in the child's home;

(10) has committed a delinquent act before becoming ten years old;

(11) is a runaway;

(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 five years.

Sec. 9. Minnesota Statutes 1990, section 260.125, subdivision 3, is amended to read:

Subd. 3. [PRIMA FACIE CASE.] A prima facie case that the public safety is not served or that the child is not suitable for treatment shall have been established if the child was at least 16 years of age at the time of the alleged offense and:

(1) is alleged by delinquency petition to have committed an aggravated felony against the person and (a) in committing the offense, the child acted with particular cruelty or disregard for the

life or safety of another; or (b) the offense involved a high degree of sophistication or planning by the juvenile; or (c) the juvenile, at the time of the offense, used, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm; or

(2) is alleged by delinquency petition to have committed murder in the first degree; or

(3) is alleged by delinquency petition (a) to have committed the delinquent act of escape from confinement to a state juvenile correctional facility or a local juvenile correctional facility and (b) to have committed an offense as part of, or subsequent to, escape from custody that would be a felony listed in section 609.11, subdivision 9, if committed by an adult; or

(4) has been found by the court, pursuant to an admission in court or after trial, to have committed an offense within the preceding 24 months which would be a felony if committed by an adult, and is alleged by delinquency petition to have committed murder in the second or third degree, manslaughter in the first degree, criminal sexual conduct in the first degree or assault in the first degree; or

(5) has been found by the court, pursuant to an admission in court or after trial, to have committed two offenses, not in the same behavioral incident, within the preceding 24 months which would be felonies if committed by an adult, and is alleged by delinquency petition to have committed manslaughter in the second degree, kidnapping, criminal sexual conduct in the second degree, arson in the first degree, aggravated robbery, or assault in the second degree; or

(6) has been found by the court, pursuant to an admission in court or after trial, to have committed two offenses, not in the same behavioral incident, within the preceding 24 months, one or both of which would be the felony of burglary of a dwelling if committed by an adult, and the child is alleged by the delinquency petition to have committed another burglary of a dwelling. For purposes of this subdivision, "dwelling" means a building which is, in whole or in part, usually occupied by one or more persons living there at night; or

(7) has previously been found by the court, pursuant to an admission in court or after trial, to have committed three offenses, none in the same behavioral incident, within the preceding 24 months which would be felonies if committed by an adult, and is alleged by delinquency petition to have committed any felony other than those described in clause (2), (4), or (5); or

(8) is alleged by delinquency petition to have committed an aggravated felony against the person, other than a violation of

section 609.713, in furtherance of criminal activity by an organized gang; or

(9) has previously been found by the court, pursuant to an admission in court or after trial, to have committed an offense which would be a felony if committed by an adult, and is alleged by delinquency petition to have committed a felony-level violation of chapter 152 involving the unlawful sale or possession of a schedule I or II controlled substance, while in a park zone or a school zone as defined in section 152.01, subdivisions 12a and 14a. This clause does not apply to a juvenile alleged to have unlawfully possessed a controlled substance in a private residence located within the school zone or park zone; or

(10) is alleged by delinquency petition to have committed a violation of section 624.713, subdivision 1, clause (a), and has been previously found by the court, pursuant to an admission in court or after trial, to have committed a violation of section 624.713, subdivision 1, clause (a).

For the purposes of this subdivision, “aggravated felony against the person” means a violation of any of the following provisions: section 609.185; 609.19; 609.195; 609.20, subdivision 1 or 2; 609.221; 609.222; 609.223; 609.245; 609.25; 609.342; 609.343; 609.344, subdivision 1, clause (c) or (d); 609.345, subdivision 1, clause (c) or (d); 609.561; 609.582, subdivision 1, clause (b) or (c); or 609.713.

For the purposes of this subdivision, an “organized gang” means an association of five or more persons, with an established hierarchy, formed to encourage members of the association to perpetrate crimes or to provide support to members of the association who do commit crimes.”

Page 11, after line 18, insert:

“Sec. 16. Minnesota Statutes 1990, section 609.2231, is amended by adding a subdivision to read:

Subd. 5. [SCHOOL OFFICIAL.] Whoever assaults a school official while the official is engaged in the performance of the official's duties, and inflicts demonstrable bodily harm, is guilty of a gross misdemeanor. As used in this subdivision, “school official” includes teachers, school administrators, and other employees of a public or private school.

Sec. 17. Minnesota Statutes 1990, section 609.66, is amended to read:

609.66 [DANGEROUS WEAPONS.]

Subdivision 1. [MISDEMEANOR AND GROSS MISDEMEANOR CRIMES.] (a) Whoever does any of the following is guilty of a misdemeanor crime and may be sentenced as provided in paragraph (b):

(1) recklessly handles or uses a gun or other dangerous weapon or explosive so as to endanger the safety of another; or

(2) intentionally points a gun of any kind, capable of injuring or killing a human being and whether loaded or unloaded, at or toward another; or

(3) manufactures or sells for any unlawful purpose any weapon known as a slungshot or sand club; or

(4) manufactures, transfers, or possesses metal knuckles or a switch blade knife opening automatically; or

(5) possesses any other dangerous article or substance for the purpose of being used unlawfully as a weapon against another; or

(6) outside of a municipality and without the parent's or guardian's consent, furnishes a child under 14 years of age, or as a parent or guardian permits the child to handle or use, outside of the parent's or guardian's presence, a firearm or airgun of any kind, or any ammunition or explosive.

(b) A person convicted under paragraph (a) may be sentenced as follows:

(1) if the act was committed in a public housing zone, as defined in section 152.01, subdivision 19, a school zone, as defined in section 152.01, subdivision 14a, or a park zone, as defined in section 152.01, subdivision 12a, to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both; or

(2) otherwise, to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both.

Subd. 1a. [FELONY CRIMES.] (a) Whoever does any of the following is guilty of a felony and may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than \$5,000, or both as provided in paragraph (b):

(1) sells or has in possession any device designed to silence or muffle the discharge of a firearm; or

(2) in any municipality of this state, furnishes a minor under 18 years of age with a firearm, airgun, ammunition, or explosive

without the written consent of the minor's parent or guardian or of the police department of the municipality; or

(3) intentionally discharges a firearm under circumstances that endanger the safety of another.

(b) A person convicted under paragraph (a) may be sentenced as follows:

(1) if the act was committed in a public housing zone, as defined in section 152.01, subdivision 19, a school zone, as defined in section 152.01, subdivision 14a, or a park zone, as defined in section 152.01, subdivision 12a, to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both; or

(2) otherwise, to imprisonment for not more than two years or to payment of a fine of not more than \$5,000, or both.

Subd. 1b. [FURNISHING TO MINORS.] Whoever, in any municipality of this state, furnishes a minor under 18 years of age with a firearm, airgun, ammunition, or explosive without the written consent of the minor's parent or guardian or of the police department of the municipality is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

Subd. 2. [EXCEPTIONS.] Nothing in this section prohibits the possession of the articles mentioned by museums or collectors of art or for other lawful purposes of public exhibition.

Sec. 18. Minnesota Statutes 1990, section 624.712, subdivision 5, is amended to read:

Subd. 5. "Crime of violence" includes murder in the first, second, and third degrees, manslaughter in the first and second degrees, aiding suicide, aiding attempted suicide, felony violations of assault in the first, second, third, and fourth degrees, terroristic threats, use of drugs to injure or to facilitate crime, simple robbery, aggravated robbery, kidnapping, false imprisonment, criminal sexual conduct in the first, second, third, and fourth degrees, felonious theft, arson in the first and second degrees, riot, burglary in the first, second, third, and fourth degrees, reckless use of a gun or dangerous weapon, intentionally pointing a gun at or towards a human being, setting a spring gun, and unlawfully owning, possessing, or operating a machine gun, and an attempt to commit any of these offenses, as each of those offenses is defined in chapter 609. "Crime of violence" also includes felony violations of chapter 152.

Sec. 19. Minnesota Statutes 1990, section 624.713, subdivision 2, is amended to read:

Subd. 2. A person named in subdivision 1, clause (a) or (b), who possesses a pistol is guilty of a felony. A person named in any other clause of subdivision 1 who possesses a pistol is guilty of a gross misdemeanor.

Sec. 20. [SENTENCING GUIDELINES COMMISSION STUDY.]

The sentencing guidelines commission shall study sentencing practices under Minnesota Statutes, section 152.023, subdivision 2, clause (1). In its study, the commission shall review: (1) the proportionality of the statutory penalties for and severity level ranking of this crime relative to other controlled substance crimes; (2) the characteristics of offenders sentenced for committing this crime relative to other controlled substance offenders; (3) the sentencing practices of the courts with respect to presumptive sentences, sentencing departures, and conditions of stayed sentences for this crime; and (4) the harm to the community resulting from the commission of this crime relative to other controlled substance crimes. The commission may also include any other sentencing policy issues it deems relevant to this study. The commission shall report its findings to the judiciary committees of the house of representatives and senate by February 15, 1992, and shall recommend any changes to the statute or applicable sentencing guidelines it believes are necessary or appropriate.

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Marsh and Orenstein moved to amend S. F. No. 525, the unofficial engrossment, as amended, as follows:

In the Orenstein et al amendment, page 5, after line 17, insert:

Page 10, after line 28, insert:

“Sec. 16. Minnesota Statutes 1990, section 609.11, is amended by adding a subdivision to read:

Subd. 5a. [DRUG OFFENSES.] Notwithstanding section 609.035, whenever a defendant is subject to a mandatory minimum term of imprisonment for a felony violation of chapter 152 and is also subject to this section, the minimum term of imprisonment imposed

under this section shall be consecutive to that imposed under chapter 152."

In the Orenstein et al amendment, page 5, after line 26, insert:

"Sec. 18. Minnesota Statutes 1990, section 609.52, subdivision 3, is amended to read:

Subd. 3. [SENTENCE.] Whoever commits theft may be sentenced as follows:

(1) to imprisonment for not more than 20 years or to payment of a fine of not more than \$100,000, or both, if the value of the property or services stolen is more than \$35,000 and the conviction is for a violation of subdivision 2, clause (3), (4), (15), or (16); or

(2) to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the value of the property or services stolen exceeds \$2,500, or if the property stolen was an article representing a trade secret, an explosive or incendiary device, or a controlled substance listed in schedule I or II pursuant to section 152.02 with the exception of marijuana, or if the property is a firearm; or

(3) to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if:

(a) the value of the property or services stolen is more than \$500 but not more than \$2,500; or

(b) the property stolen was a controlled substance listed in schedule III, IV, or V pursuant to section 152.02; or

(c) the value of the property or services stolen is more than \$200 but not more than \$500 and the person has been convicted within the preceding five years for an offense under this section, section 256.98; 268.18, subdivision 3; 609.24; 609.245; 609.53; 609.582, subdivision 1, 2, or 3; 609.625; 609.63; 609.631; or 609.821, or a statute from another state in conformity with any of those sections, and the person received a felony or gross misdemeanor sentence for the offense, or a sentence that was stayed under section 609.135 if the offense to which a plea was entered would allow imposition of a felony or gross misdemeanor sentence; or

(d) the value of the property or services stolen is not more than \$500, and any of the following circumstances exist:

(i) the property is taken from the person of another or from a corpse, or grave or coffin containing a corpse; or

(ii) the property is a record of a court or officer, or a writing, instrument or record kept, filed or deposited according to law with or in the keeping of any public officer or office; or

(iii) the property is taken from a burning building or upon its removal therefrom, or from an area of destruction caused by civil disaster, riot, bombing, or the proximity of battle; or

(iv) the property consists of public funds belonging to the state or to any political subdivision or agency thereof; or

(v) the property is a firearm; or

(vi) the property stolen is a motor vehicle; or

(4) to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the value of the property or services stolen is more than \$200 but not more than \$500; or

(5) in all other cases where the value of the property or services stolen is \$200 or less, to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both, provided, however, in any prosecution under subdivision 2, clauses (1), (2), (3), (4), and (13), the value of the money or property or services received by the defendant in violation of any one or more of the above provisions within any six-month period may be aggregated and the defendant charged accordingly in applying the provisions of this subdivision; provided that when two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph."

In the Orenstein et al amendment, page 6, after line 14, insert:

"Possession of written evidence of prior consent signed by the minor's parent or guardian is a complete defense to a charge under clause (6)."

In the Orenstein et al amendment, page 6, line 23, after the comma, insert: "including where the act was committed on residential premises within a zone described in clause (1) if the offender was at the time an owner, tenant, or invitee for a lawful purpose with respect to those residential premises,"

In the Orenstein et al amendment, page 7, line 14, delete "written" and insert "prior"

In the Orenstein et al amendment, page 7, line 17, after the period insert: "Possession of written evidence of prior consent signed by the

minor's parent or guardian is a complete defense to a charge under this subdivision.

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Vellenga and O'Connor moved to amend S. F. No. 525, the unofficial engrossment, as amended, as follows:

Page 8, after line 14, insert:

"Sec. 11. Minnesota Statutes 1990, section 299C.065, is amended to read:

299C.065 [UNDERCOVER BUY FUND; WITNESS ASSISTANCE SERVICES.]

Subdivision 1. The commissioner of public safety shall make grants to local officials for the following purposes:

(1) the cooperative investigation of cross jurisdictional criminal activity relating to the possession and sale of controlled substances;

(2) receiving or selling stolen goods;

(3) participating in gambling activities in violation of section 609.76;

(4) violations of section 609.322, 609.323, or any other state or federal law prohibiting the recruitment, transportation, or use of juveniles for purposes of prostitution; and

(5) witness assistance services in cases involving criminal gang activity in violation of section 5, or domestic assault, as defined in section 611A.0315.

Subd. 2. A county sheriff or the chief administrative officer of a municipal police department may apply to the commissioner of public safety for a grant for any of the purposes described in subdivision 1, on forms and pursuant to procedures developed by the superintendent. The application shall describe the type of intended criminal investigation, an estimate of the amount of money re-

quired, and any other information the superintendent deems necessary.

Subd. 3. A report shall be made to the commissioner at the conclusion of an investigation pursuant to this section stating: (1) the number of persons arrested, (2) the nature of charges filed against them, (3) the nature and value of controlled substances or contraband purchased or seized, (4) the amount of money paid to informants during the investigation, and (5) a separate accounting of the amount of money spent for expenses, other than "buy money", of bureau and local law enforcement personnel during the investigation. The commissioner shall prepare and submit to the legislature by January 1 of each year a report of investigations pursuant to this section.

Subd. 3a. The head of a law enforcement agency that receives a grant under this section for witness assistance services shall file a report with the commissioner at the conclusion of the case detailing the specific purposes for which the money was spent. The commissioner shall prepare and submit to the legislature by January 1 of each year a summary report of witness assistance services provided under this section.

Subd. 4. An application to the commissioner for money is a confidential record. Information within investigative files that identifies or could reasonably be used to ascertain the identity of assisted witnesses, sources, or undercover investigators is a confidential record. A report at the conclusion of an investigation is a public record, except that information in a report pertaining to the identity or location of an assisted witness is private data.

Subd. 5. [FUNDING OF WITNESS ASSISTANCE PROGRAM.] The establishment and funding of witness assistance services is contingent on the availability and receipt of federal funding for this purpose by the commissioner of public safety."

Page 11, after line 18, insert:

"Sec. 15. [609.229] [FELONY COMMITTED FOR BENEFIT OF A GANG.]

Subdivision 1. [DEFINITION.] As used in this section, "criminal gang" means any ongoing organization, association, or group of three or more persons, whether formal or informal, that:

(1) has, as one of its primary activities, the commission of one or more of the offenses listed in section 609.11, subdivision 9;

(2) has a common name or common identifying sign or symbol; and

(3) includes members who individually or collectively engage in or have engaged in a pattern of criminal activity.

Subd. 2. [CRIMES; PENALTY.] A person who commits a felony for the benefit of, at the direction of, or in association with a criminal gang, with the intent to promote, further, or assist in criminal conduct by gang members may be sentenced to imprisonment for up to three years longer than the statutory maximum for the underlying felony."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Macklin, McPherson, Onnen, Goodno, Bettermann, Smith and Limmer moved to amend S. F. No. 525, the unofficial engrossment, as amended, as follows:

In the Vellenga and O'Connor amendment, page 3, delete lines 3 to 20 and insert:

"Sec. 15. [609.229] [CRIME COMMITTED FOR BENEFIT OF A GANG.]

Subdivision 1. [DEFINITION.] As used in this section, "criminal gang" means any ongoing organization, association, or group of three or more persons, whether formal or informal, that:

(1) has, as one of its primary activities, the commission of one or more of the offenses listed in section 609.11, subdivision 9;

(2) has a common name or common identifying sign or symbol; and

(3) includes members who individually or collectively engage in or have engaged in a pattern of criminal activity.

Subd. 2. [CRIMES.] A person who commits a crime for the benefit of, at the direction of, or in association with a criminal gang, with the intent to promote, further, or assist in criminal conduct by gang members is guilty of a crime and may be sentenced as provided in subdivision 3.

Subd. 3. [PENALTY.] (a) If the crime committed in violation of subdivision 2 is a felony, the statutory maximum for the crime is three years longer than the statutory maximum for the underlying crime.

(b) If the crime committed in violation of subdivision 2 is a misdemeanor, the person is guilty of a gross misdemeanor.

(c) If the crime committed in violation of subdivision 2 is a gross misdemeanor, the person is guilty of a felony and may be sentenced to a term of imprisonment of not more than one year and a day or to payment of a fine of not more than \$5,000, or both.

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 126 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Koppendrayer	Olson, K.	Solberg
Anderson, I.	Garcia	Krinkie	Omman	Sparby
Anderson, R. H.	Girard	Krueger	Onnen	Stanius
Battaglia	Goodno	Lasley	Orenstein	Steensma
Bauerly	Greenfield	Leppik	Osthoff	Sviggum
Beard	Gruenes	Lieder	Ostrom	Swenson
Begich	Gutknecht	Limmer	Ozmet	Thompson
Bertram	Hanson	Long	Pellow	Tompkins
Bettermann	Hartle	Lourey	Pelowski	Trimble
Bishop	Hasskamp	Lynch	Peterson	Tunheim
Blatz	Haukoos	Macklin	Pugh	Uphus
Bodahl	Heir	Mariani	Reding	Valento
Boo	Henry	Marsh	Rest	Vellenga
Brown	Hufnagle	McEachern	Rice	Wagenius
Carlson	Hugoson	McGuire	Rodosovich	Waltman
Carruthers	Jacobs	McPherson	Rukavina	Weaver
Clark	Janezich	Milbert	Runbeck	Wejzman
Cooper	Jaros	Morrison	Sarna	Welker
Dauner	Jennings	Munger	Schafer	Welle
Davids	Johnson, A.	Murphy	Scheid	Wenzel
Dawkins	Johnson, R.	Nelson, K.	Schreiber	Winter
Dempsey	Johnson, V.	Nelson, S.	Seaberg	Spk. Vanasek
Dille	Kalis	Newinski	Segal	
Dorn	Kelso	O'Connor	Simoneau	
Erhardt	Kinkel	Olsen, S.	Skoglund	
Frederick	Knickerbocker	Olson, E.	Smith	

Those who voted in the negative were:

Kahn	Ogren	Orfield
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The motion prevailed and the amendment was adopted.

Dempsey moved to amend S. F. No. 525, the unofficial engrossment, as amended, as follows:

Page 11, after line 18, insert:

"Sec. 14. Minnesota Statutes 1990, section 609.135, subdivision 1a, is amended to read:

Subd. 1a. [FAILURE TO PAY RESTITUTION.] If the court orders payment of restitution as a condition of probation and if the defendant fails to pay the restitution in accordance with the payment schedule or structure established by the court or the probation officer, the defendant's probation officer may, on the officer's own motion or at the request of the victim, ask the court to hold a hearing to determine whether or not the conditions of probation should be changed or probation should be revoked. The defendant's probation officer shall ask for the hearing if the restitution ordered has not been paid prior to 60 days before the term of probation expires. The court shall schedule and hold this hearing and take appropriate action, including action under subdivision 2, paragraph (f), before the defendant's term of probation expires.

Sec. 15. Minnesota Statutes 1990, section 609.135, subdivision 2, is amended to read:

Subd. 2. ~~(1)~~ (a) If the conviction is for a felony the stay shall be for not more than three years or the maximum period for which the sentence of imprisonment might have been imposed, whichever is longer.

~~(2)~~ (b) If the conviction is for a gross misdemeanor the stay shall be for not more than two years.

~~(3)~~ (c) If the conviction is for a misdemeanor under section 169.121, the stay shall be for not more than two years. The court shall provide for unsupervised probation for the second year of the stay unless the court finds that the defendant needs supervised probation for all or part of the second year.

~~(4)~~ (d) If the conviction is for a misdemeanor not specified in ~~clause~~ ~~(3)~~ paragraph (c), the stay shall be for not more than one year.

~~(5)~~ (e) The defendant shall be discharged when the stay expires, unless the stay has been revoked or extended under paragraph (f), or the defendant has already been discharged.

(f) Notwithstanding the maximum periods specified for stays of sentences under paragraphs (a) to (e), a court may extend a defendant's term of probation for up to one year if it finds, at a hearing conducted under subdivision 1a, that:

(1) the defendant has not paid court-ordered restitution in accordance with the payment schedule or structure; and

(2) the defendant is likely to not pay the restitution the defendant owes before the term of probation expires.

This one-year extension of probation for failure to pay restitution may be extended by the court for up to one additional year if the court finds, at another hearing conducted under subdivision 1a, that the defendant still has not paid the court-ordered restitution that the defendant owes."

Page 13, line 3, delete "Section 11 is" and insert "Sections 11, 14, and 15 are"

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 525, A bill for an act relating to crimes; expanding the definition of drug free zones to include public housing property; increasing the area affected from within 300 feet to within 1,000 feet of a school or park boundary for purposes of increasing penalties for sale or possession of controlled substances; increasing penalties for sale or possession of methamphetamine ("ice"), amphetamine, and sale of marijuana, within a school zone, park zone, or public housing zone; changing the name and duties of the drug abuse prevention resource council; requiring chemical use assessments of persons convicted of felonies; amending Minnesota Statutes 1990, sections 152.01, subdivisions 12a, 14a, and by adding a subdivision; 152.021, subdivision 1; 152.022, subdivision 1; 152.023, subdivision 2; 152.024, subdivision 1; 152.029; 299A.29, subdivisions 3, 5, and by adding subdivisions; 299A.30; 299A.31, subdivision 1; 299A.32; 299A.34, subdivision 2; 299A.35; 299A.36; and 609.115, by adding a subdivision; repealing Minnesota Statutes 1990, sections 244.095; and 299A.29, subdivisions 2 and 4.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams
Anderson, I.

Anderson, R. H.
Battaglia

Bauerly
Beard

Begich
Bertram

Bettermann
Bishop

Blatz	Hartle	Lieder	Orenstein	Sparby
Bodahl	Hasskamp	Limmer	Orffeld	Stanius
Boo	Haukoos	Long	Osthoff	Steensma
Brown	Hausman	Lourey	Ostrom	Svigggum
Carlson	Heir	Lynch	Ozment	Swenson
Carruthers	Henry	Macklin	Pellow	Thompson
Clark	Hufnagle	Mariani	Pelowski	Tompkins
Cooper	Hugoson	Marsh	Peterson	Trimble
Dauner	Jacobs	McEachern	Pugh	Tunheim
Dauids	Janezich	McGuire	Reding	Uphus
Dawkins	Jaros	McPherson	Rest	Valento
Dempsey	Jefferson	Milbert	Rice	Vellenga
Dille	Jennings	Morrison	Rodosovich	Wagenius
Dorn	Johnson, A.	Munger	Rukavina	Waltman
Erhardt	Johnson, R.	Murphy	Runbeck	Weaver
Farrell	Johnson, V.	Nelson, K.	Sarna	Wejzman
Frederick	Kalis	Nelson, S.	Schafer	Welker
Frerichs	Kelso	Newinski	Scheid	Welle
Garcia	Kinkel	O'Connor	Schreiber	Wenzel
Girard	Knickerbocker	Ogren	Seaberg	Winter
Goodno	Koppendrayer	Olsen, S.	Segal	Spk. Vanasek
Greenfield	Krinkie	Olson, E.	Simoneau	
Gruenes	Krueger	Olson, K.	Skoglund	
Gutknecht	Lasley	Omann	Smith	
Hanson	Leppik	Onnen	Solberg	

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

S. F. No. 208 was reported to the House.

Lasley moved to amend S. F. No. 208, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 168.10, subdivision 1a, is amended to read:

Subd. 1a. [COLLECTOR'S VEHICLES, PIONEER LICENSE.] Any motor vehicle manufactured prior to 1936 and owned and operated solely as a collector's item shall be listed for taxation and registration as follows: An affidavit shall be executed stating the name and address of the owner, the name and address of the person from whom purchased, the make of the motor vehicle, year and number of the model, the manufacturer's identification number and that the vehicle is owned and operated solely as a collector's item and not for general transportation purposes. If the registrar is satisfied that the affidavit is true and correct and the owner pays a \$25 tax, the registrar shall list such vehicle for taxation and registration and shall issue number plates.

The number plates so issued shall bear the inscription “Pioneer,” “Minnesota” and the registration number or other combination of characters authorized under section 168.12, subdivision 2a, but no date. The number plates are valid without renewal as long as the

vehicle is in existence and shall be issued for the applicant's use only for such vehicle. The registrar has the power to revoke said plates for failure to comply with this subdivision.

Sec. 2. Minnesota Statutes 1990, section 168.10, subdivision 1b, is amended to read:

Subd. 1b. [COLLECTOR'S VEHICLE, CLASSIC CAR LICENSE.] Any motor vehicle manufactured between and including the years 1925 and 1948, and designated by the registrar of motor vehicles as a classic car because of its fine design, high engineering standards, and superior workmanship, and owned and operated solely as a collector's item shall be listed for taxation and registration as follows: An affidavit shall be executed stating the name and address of the owner, the name and address of the person from whom purchased, the make of the motor vehicle, year and number of the model, the manufacturer's identification number and that the vehicle is owned and operated solely as a collector's item and not for general transportation purposes. If the registrar is satisfied that the affidavit is true and correct and that the motor vehicle qualifies to be classified as a classic car, and the owner pays a \$25 tax, the registrar shall list such vehicle for taxation and registration and shall issue number plates.

The number plates so issued shall bear the inscription "Classic Car," "Minnesota," and the registration number or other combination of characters authorized under section 168.12, subdivision 2a, but no date. The number plates are valid without renewal as long as the vehicle is in existence and shall be issued for the applicant's use only for such vehicle. The registrar has the power to revoke said plates for failure to comply with this subdivision.

The following cars built between and including 1925 and 1948 are classic:

A.C.	
Adler	
Alfa Romeo	
Alvis	Speed 20, 25, and 4.3 litre.
Amilcar	
Aston Martin	
Auburn	All 8-cylinder and 12-cylinder models.
Audi	
Austro-Daimler	
Avions Voisin 12	
Bentley	
Blackhawk	
B.M.W.	Models 327, 328, and 335 only.
Brewster	
(Heart-front Ford)	
Bugatti	

Buick	1931 through 1942: series 90 only.
Cadillac	All 1925 through 1935. 1936-1948: Series 67, 70, 72, 75, 80, 85 and 90 only. 1938-1941: 60 special only.
Chrysler	1926 through 1930: Imperial 80. 1931: Imperial 8 Series CG. 1932: Series CG, CH and CL. 1933: Series CL. 1934: Series CW. 1935: Series CW. All Newports and Thunderbolts.
Cord	
Cunningham	
Dagmar	Model 25-70 only.
Daimler	
Delage	
Delahaye	
Doble	
Dorris	
Duesenberg	
du Pont	
Franklin	All models except 1933-34 Olympic Sixes.
Frazer Nash	
Hispano Suiza	
Horch	
Hotchkiss	
Invicta	
Isotta Fraschini	
Jaguar	
Jordan	Speedway Series 'Z' only.
Kissel	1925, 1926 and 1927: Model 8-75. 1928: Model 8-90, and 8-90 White Eagle. 1929: Model 8-126, and 8-90 White Eagle. 1930: Model 8-126. 1931: Model 8-126.
Lagonda	
Lancia	
La Salle	1927 through 1933 only.
Lincoln	All models K, L, KA, and KB. 1941: Model 168H. 1942: Model 268H.
Lincoln Continental	1939 through 1948.
Locomobile	All models 48 and 90. 1927: Model 8-80. 1928: Model 8-80. 1929: Models 8-80 and 8-88.
Marmon	All 16-cylinder models. 1925: Model 74. 1926: Model 74. 1927: Model 75. 1928: Model E75.

	1930: Big 8 model. 1931: Model 88, and Big 8.
Maybach	
McFarlan	
Mercedes Benz	All models 2.2 litres and up.
Mercer	
M.G.	6-cylinder models only.
Minerva	
Packard	1925 through 1934: All models. 1935 through 1942: Models 1200, 1201, 1202, 1203, 1204, 1205, 1207, 1208, 1400, 1401, 1402, 1403, 1404, 1405, 1407, 1408, 1500, 1501, 1502, 1506, 1507, 1508, 1603, 1604, 1605, 1607, 1608, 1705, 1707, 1708, 1806, 1807, 1808, 1906, 1907, 1908, 2006, 2007, and 2008 only. 1946 and 1947: Models 2106 and 2126 only.
Peerless	1926 through 1928: Series 69. 1930-1931: Custom 8. 1932: Deluxe Custom 8.
Pierce Arrow	
Railton	
Renault	Grand Sport model only.
Reo	1930-1931: Royale Custom 8, and Series 8-35 and 8-52 Elite 8. 1933: Royale Custom 8.
Revere	
Roamer	1925: Series 8-88, 6-54e, and 4-75. 1926: Series 4-75e, and 8-88. 1927-1928: Series 8-88. 1929: Series 8-88, and 8-125. 1930: Series 8-125.
Rohr	
Rolls Royce	
Ruxton	
Salmson	
Squire	
Stearns Knight	
Stevens Duryea	
Steyr	
Stutz	
Sunbeam	
Talbot	
Vauxhall	Series 30-98 only.
Wills Saint Claire	

No commercial vehicles such as hearses, ambulances, or trucks are considered to be classic cars.

Sec. 3. Minnesota Statutes 1990, section 168.10, subdivision 1c, is amended to read:

Subd. 1c. [COLLECTOR'S VEHICLE, COLLECTOR LICENSE.] Any motor vehicle, including any truck, that is at least 20 model years old and manufactured after 1935, or any motor vehicle of a defunct make defined as any car or truck originally licensed as a separate identifiable make as designated by the division of motor vehicles, and owned and operated solely as a collector's vehicle, shall be listed for taxation and registration as follows: An affidavit shall be executed stating the name and address of the person from whom purchased and of the new owner, the make of the motor vehicle, year and number of the model, the manufacturer's identification number and that the vehicle is owned and operated solely as a collector's item and not for general transportation purposes. The owner must also prove that the owner also has one or more vehicles with regular license plates. If the registrar is satisfied that the affidavit is true and correct and the owner pays a \$25 tax, the registrar shall list the vehicle for taxation and registration and shall issue number plates.

The number plates issued shall bear the inscription "Collector," "Minnesota" and the registration number or other combination of characters authorized under section 168.12, subdivision 2a, but no date. The number plates are valid without renewal as long as the vehicle is in existence and shall be issued for the applicant's use only for the vehicle. The registrar has the power to revoke the plates for failure to comply with this subdivision.

Sec. 4. Minnesota Statutes 1990, section 168.10, subdivision 1d, is amended to read:

Subd. 1d. [COLLECTORS VEHICLES, STREET ROD LICENSE.] Any modernized motor vehicle manufactured prior to the year 1949 or designed and manufactured to resemble such vehicle shall be listed for taxation and registration as follows:

An affidavit shall be executed stating the name and address of the person from whom purchased and of the new owner, the make of the motor vehicle, year number of model, and the manufacturer's identification number. The affidavit shall further state that the vehicle is owned and operated solely as a street rod and not for general transportation purposes. The owner must also prove that the owner has one or more vehicles with regular license plates. If the registrar is satisfied that the affidavit is true and correct and the owner pays a \$25 tax, the registrar shall list such vehicle for taxation and registration and shall issue number plates.

The number plates issued shall bear the inscription "Street Rod", "Minnesota" and the registration number or other combination of characters authorized under section 168.12, subdivision 2a, but no date. The number plates are valid without renewal as long as the vehicle is in existence and shall be issued for the applicant's use only for such vehicle. The registrar has the power to revoke such plates for failure to comply with this subdivision.

Sec. 5. Minnesota Statutes 1990, section 168.105, subdivision 3, is amended to read:

Subd. 3. [LICENSE PLATES.] The registrar shall issue number plates of the same size as standard motorcycle license plates and inscribed "collector" and "Minnesota" with the registration number or other combination of characters authorized under section 168.12, subdivision 2a, but without a date. The plates are valid without renewal as long as the classic motorcycle exists and may be issued for the applicant's use only for the classic motorcycle. The registrar may revoke the plates for noncompliance with this subdivision.

Sec. 6. Minnesota Statutes 1990, section 168.12, subdivision 1, is amended to read:

Subdivision 1. [NUMBER PLATES; VISIBILITY, PERIODS OF ISSUANCE.] The registrar, upon the approval and payment, shall issue to the applicant the number plates required by law, bearing the state name and the number assigned. The number assigned may be a combination of a letter or sign with figures. The color of the plates and the color of the abbreviation of the state name and the number assigned shall be in marked contrast. The plates shall be lettered, spaced, or distinguished to suitably indicate the registration of the vehicle according to the rules of the registrar, and when a vehicle is registered on the basis of total gross weight, the plates issued shall clearly indicate by letters or other suitable insignia the maximum gross weight for which the tax has been paid. These number plates shall be so treated as to be at least 100 times brighter than the conventional painted number plates. When properly mounted on an unlighted vehicle, these number plates, when viewed from a vehicle equipped with standard headlights, shall be visible for a distance of not less than 1,500 feet and readable for a distance of not less than 110 feet. The registrar shall issue these number plates for the following periods:

(1) ~~Number plates issued pursuant to sections 168.27, subdivisions 16 and 17, and 168.053 shall be for a one-year period.~~

(2) New number plates issued pursuant to section 168.012, subdivision 1, shall be issued to a vehicle for as long as it is owned by the exempt agency and shall not be transferable from one vehicle to another but may be transferred with the vehicle from one tax exempt agency to another.

(3) (2) Plates issued for passenger automobiles as defined in section 168.011, subdivision 7, shall be issued for a seven-year period. All plates issued under this paragraph must be replaced if they are seven years old or older at the time of annual registration or will become so during the registration period.

(4) (3) Number plates issued under sections 168.053 and 168.27, subdivisions 16 and 17, shall be for a seven-year period.

(4) Plates for any vehicle not specified in clauses (1); ~~(2)~~ and (3) to (3), except for trailers as hereafter provided, shall be issued for the life of the vehicle. Beginning with number plates issued for the year 1981, plates issued for trailers with a total gross weight of 3,000 pounds or less shall be issued for the life of the trailer and shall be not more than seven inches in length and four inches in width.

In a year in which plates are not issued, the registrar shall issue for each registration a tab or sticker to designate the year of registration. This tab or sticker shall show the calendar year or years for which issued, and is valid only for that period. The number plates, number tabs, or stickers issued for a motor vehicle may not be transferred to another motor vehicle during the period for which it is issued.

Notwithstanding any other provision of this subdivision, number plates issued to a vehicle which is used for behind-the-wheel instruction in a driver education course in a public school may be transferred to another vehicle used for the same purpose without payment of any additional fee. The registrar shall be notified of each transfer of number plates under this paragraph and may prescribe a form for notification.

Sec. 7. Minnesota Statutes 1990, section 168.12, subdivision 2a, is amended to read:

Subd. 2a. [PERSONALIZED LICENSE PLATES.] Personalized license plates must be issued to an applicant for registration of a passenger automobile, including a passenger automobile registered as a classic car, pioneer car, collector car, or street rod; van; pickup truck; motorcycle, including a classic motorcycle; or self-propelled recreational vehicle, upon compliance with the laws of this state relating to registration of the vehicle and upon payment of a one-time fee of \$100 in addition to the registration tax required by law for the vehicle. The registrar shall designate a replacement fee for personalized license plates that is calculated to cover the cost of replacement. This fee must be paid by the applicant whenever the personalized license plates are required to be replaced by law. In lieu of the numbers assigned as provided in subdivision 1, personalized license plates must have imprinted on them a series of not more than seven numbers and letters in any combination. When an applicant has once obtained personalized plates, the applicant shall have a prior claim for similar personalized plates in the next succeeding year that plates are issued if application is made for them at least 30 days before the first date that registration can be renewed. The commissioner of public safety shall adopt rules in the manner provided by chapter 14, regulating the issuance and transfer of personalized license plates. No words or combination of letters

placed on personalized license plates may be used for commercial advertising, be of an obscene, indecent, or immoral nature, or be of a nature that would offend public morals or decency. The call signals or letters of a radio or television station are not commercial advertising for the purposes of this subdivision.

Notwithstanding the provisions of subdivision 1, personalized license plates issued under this subdivision may be transferred to another motor vehicle owned or jointly owned by the applicant, upon the payment of a fee of \$5, which must be paid into the state treasury and credited to the highway user tax distribution fund. The registrar may by rule provide a form for notification. A personalized license plate issued for a classic car, pioneer car, collector car, street rod, or classic motorcycle may not be transferred to a vehicle not eligible for such a license plate.

Notwithstanding any law to the contrary, if the personalized license plates are lost, stolen, or destroyed, the applicant may apply and shall receive duplicate license plates bearing the same combination of letters and numbers as the former personalized plates upon the payment of the fee required by section 168.29.

Fees from the sale of permanent and duplicate personalized license plates must be paid into the state treasury and credited to the highway user tax distribution fund.

Sec. 8. Minnesota Statutes 1990, section 168.27, subdivision 16, is amended to read:

Subd. 16. [PLATES, DISTINGUISHING NUMBERS.] (a) The registrar shall issue to every motor vehicle dealer, upon a request from the motor vehicle dealer licensed as provided in subdivision 2 or 3, one or more plates displaying a general distinguishing number. This subdivision does not apply to a scrap metal processor, a used vehicle parts dealer, or a vehicle salvage pool. The fee for each of the first four plates is \$75 per calendar year, of which \$60 must be paid to the registrar and the remaining \$15 is payable as motor vehicle excise tax under section 297B.035. For each additional plate, the dealer shall pay the registrar a fee of \$25 and a motor vehicle excise tax of \$15 annually per calendar year. The registrar shall deposit the tax in the state treasury and it shall be credited as provided in section 297B.09. Motor vehicles, new or used, owned by the motor vehicle dealer and bearing the number plate, except vehicles leased to the user who is not an employee of the dealer during the term of the lease, held for hire, or customarily used by the dealer as a tow truck, service truck, or parts pickup truck, may be driven upon the streets and highways of this state:

(1) by the motor vehicle dealer or dealer's spouse, or any full-time employee of the motor vehicle dealer for either private or business purposes;

(2) by a part-time employee when the use is directly related to a particular business transaction of the dealer;

(3) for demonstration purposes by any prospective buyer thereof for a period of 48 hours or in the case of a truck, truck-tractor, or semitrailer, for a period of seven days; or

(4) in a promotional event that lasts no longer than four days in which at least three motor vehicles are involved.

(b) A new or used motor vehicle sold by the motor vehicle dealer and bearing the motor vehicle dealer's number plate may be driven upon the public streets and highways for a period of 72 hours by the buyer for either of the following purposes: (1) Removing the vehicle from this state for registration in another state, or (2) permitting the buyer to use the motor vehicle before the buyer receives number plates pursuant to registration. Use of a motor vehicle by the buyer under the provisions of clause (2) of the preceding sentence before the buyer receives number plates pursuant to registration constitutes a use of the public streets or highways for the purpose of the time requirements for registration of motor vehicles.

Sec. 9. Minnesota Statutes 1990, section 168.27, subdivision 17, is amended to read:

Subd. 17. [APPLICATION FOR IN TRANSIT PLATES.] Every licensed dealer in motor vehicles may make application upon a blank provided by the registrar for that purpose for a general distinguishing number for use upon all new or used motor vehicles being transported from the dealer's source of supply, or other place of storage, to the dealer's place of business, or to another place of storage, or from one dealer to another. A general distinguishing number shall be assigned by the registrar to the dealer for that purpose, and the registrar shall then issue to the dealer the number of plates as the dealer may request, upon the payment by the dealer to the registrar of the sum of \$5 per plate per calendar year. The plates shall be known as "in transit" plates. The registrar may issue "in transit" plates, upon the payment of the sum of \$5 to the registrar, to dealers duly licensed in other states or provinces upon information furnished in the manner as the registrar may prescribe, and which satisfies the registrar that persons or companies applying therefor are duly licensed dealers under the laws of the states or provinces.

Sec. 10. Minnesota Statutes 1990, section 169.01, subdivision 75, is amended to read:

Subd. 75. [COMMERCIAL MOTOR VEHICLE.] (a) "Commercial motor vehicle" means a motor vehicle or combination of motor vehicles used to transport passengers or property if the motor vehicle:

(1) has a gross vehicle weight of ~~26,001~~ or more than 26,000 pounds;

(2) has a towed unit with a gross vehicle weight of more than 10,000 pounds and the combination of vehicles has a combined gross vehicle weight of more than 26,000 pounds;

(3) is a bus;

(4) is of any size and is used in the transportation of hazardous materials defined in section 221.033, except for those vehicles having a gross vehicle weight of 26,000 pounds or less while carrying in bulk tanks a total of not more than 200 gallons of petroleum products and liquid fertilizer; or

(5) is outwardly equipped and identified as a school bus, except for school buses defined in section 169.44, subdivision 15.

(b) For purposes of sections 169.1211, 169.1215, and 169.123, subdivisions 2 and 4, a commercial motor vehicle does not include a farm truck, firefighting equipment, or recreational equipment being operated by a person within the scope of section 171.02, subdivision 2, paragraph (a).

Sec. 11. Minnesota Statutes 1990, section 169.01, is amended by adding a subdivision to read:

Subd. 76. [HAZARDOUS MATERIALS.] "Hazardous materials" means those materials found to be hazardous for the purposes of the federal Hazardous Materials Transportation Act and that require the motor vehicle to be placarded under Code of Federal Regulations, title 49, part 172, subpart F.

Sec. 12. Minnesota Statutes 1990, section 169.121, subdivision 8, is amended to read:

Subd. 8. [ALCOHOL CHEMICAL USE ASSESSMENT.] When the evidentiary test shows an alcohol concentration of 0.07 or more, that result shall be reported to the commissioner of public safety. The commissioner shall record that fact on the driver's record. When the driver's record shows a second or subsequent report of an alcohol concentration of 0.07 or more within two years of a recorded report, the commissioner may require that the driver have an alcohol problem a chemical use assessment meeting the commissioner's requirements. The assessment shall be at the driver's expense. In no event shall the commissioner deny the license of a person who refuses to take the assessment or to undertake treatment, if treatment is indicated by the assessment, for longer than 90 days. If an assessment is made pursuant to this section, the commissioner may waive the assessment required by section 169.126.

Sec. 13. Minnesota Statutes 1990, section 169.123, subdivision 5c, is amended to read:

Subd. 5c. [PETITION FOR JUDICIAL REVIEW.] Within 30 days following receipt of a notice and order of revocation or disqualification pursuant to this section, a person may petition the court for review; ~~unless the person is entitled to review under section 171.166.~~ The petition shall be filed with the district court administrator in the county where the alleged offense occurred, together with proof of service of a copy on the commissioner of public safety, and accompanied by the standard filing fee for civil actions. No responsive pleading shall be required of the commissioner of public safety, and no court fees shall be charged for the appearance of the commissioner of public safety in the matter.

The petition shall be captioned in the full name of the person making the petition as petitioner and the commissioner of public safety as respondent. The petition must include the petitioner's date of birth, driver's license number, and date of the offense. The petition shall state with specificity the grounds upon which the petitioner seeks rescission of the order of revocation, disqualification, or denial and state the facts underlying each claim asserted.

The filing of the petition shall not stay the revocation, disqualification, or denial. The reviewing court may order a stay of the balance of the revocation or disqualification if the hearing has not been conducted within 60 days after filing of the petition upon terms the court deems proper. Judicial reviews shall be conducted according to the rules of civil procedure.

Sec. 14. Minnesota Statutes 1990, section 169.123, subdivision 8, is amended to read:

Subd. 8. [NOTICE OF ACTION TO OTHER STATES.] When ~~it has been finally determined that~~ a nonresident's privilege to operate a motor vehicle in this state has been revoked or denied, the commissioner of public safety shall give information in writing of the action taken to the official in charge of traffic control or public safety of the state of the person's residence and of any state in which the person has a license.

Sec. 15. Minnesota Statutes 1990, section 171.01, subdivision 22, is amended to read:

Subd. 22. [COMMERCIAL MOTOR VEHICLE.] "Commercial motor vehicle" means a motor vehicle or combination of motor vehicles used to transport passengers or property if the motor vehicle:

(1) has a gross vehicle weight of ~~26,001~~ or more than 26,000 pounds;

(2) has a towed unit with a gross vehicle weight of more than 10,000 pounds and the combination of vehicles has a combined gross vehicle weight of more than 26,000 pounds;

(3) is a bus;

(4) is of any size and is used in the transportation of hazardous materials ~~defined in section 221.033~~, except for those vehicles having a gross vehicle weight of 26,000 pounds or less and carrying in bulk tanks a total of not more than 200 gallons of liquid fertilizer and petroleum products; or

(5) is outwardly equipped and identified as a school bus, except for school buses defined in section 169.44, subdivision 15.

Sec. 16. Minnesota Statutes 1990, section 171.01, is amended by adding a subdivision to read:

Subd. 24. [FARM TRUCK.] For purposes of this chapter only, "farm truck" means a single-unit truck, including a pickup truck as defined in section 168.011; truck-tractor; tractor; semitrailer; or trailer, used by its owner:

(1) to transport from the farm to the market agricultural, horticultural, dairy, or other farm products, including livestock, produced or finished by the owner of the farm truck;

(2) to transport the owner's other personal property from the farm to market; or

(3) to transport property and supplies to the farm of the owner.

Sec. 17. Minnesota Statutes 1990, section 171.01, is amended by adding a subdivision to read:

Subd. 25. [HAZARDOUS MATERIALS.] "Hazardous materials" means those materials found to be hazardous for the purposes of the federal Hazardous Materials Transportation Act and that require the motor vehicle to be placarded under Code of Federal Regulations, title 49, part 172, subpart F.

Sec. 18. Minnesota Statutes 1990, section 171.02, subdivision 1, is amended to read:

Subdivision 1. No person, except those hereinafter expressly exempted, shall drive any motor vehicle upon any street or highway in this state unless such person has a license valid under the

provisions of this chapter for the type or class of vehicle being driven. No person shall receive a driver's license unless and until the person surrenders to the department all valid driver's licenses in possession issued to the person by any other jurisdiction. All surrendered licenses shall be returned by the department to the issuing department together with information that licensee is now licensed in new jurisdiction. No person shall be permitted to have more than one valid driver's license at any time. No person may receive a driver's license, other than an instruction permit or a limited license, unless the person surrenders to the department any Minnesota identification card issued to the person under section 171.07, subdivision 3.

Sec. 19. Minnesota Statutes 1990, section 171.02, subdivision 2, is amended to read:

Subd. 2. [DRIVER'S LICENSE CLASSIFICATIONS, ENDORSEMENTS, EXEMPTIONS.] Drivers' licenses shall be classified according to the types of vehicles which may be driven by the holder of each type or class of license. The commissioner may, as appropriate, subdivide the classes listed in this subdivision and issue licenses classified accordingly. No class of license shall be valid to operate a motorcycle, school bus, tank vehicle, double-trailer or triple-trailer combination, vehicle transporting hazardous materials, or bus, unless so endorsed. There shall be four general classes of licenses as follows:

(a) Class C; valid for:

(1) all farm trucks as defined in section ~~168.011~~, subdivision 17, operated by (i) the owner, (ii) an immediate family member of the owner, (iii) an employee of the owner not primarily employed to operate the farm truck, within 150 miles of the farm, or (iv) an employee of the owner employed during harvest to operate the farm truck for the first, continuous transportation of agricultural products from the production site or on-farm storage site to any other location within 50 miles of that site;

(2) fire trucks and emergency fire equipment, whether or not in excess of 26,000 pounds gross vehicle weight, operated by a firefighter while on duty, or a tiller operator employed by a fire department who drives the rear portion of a midmount aerial ladder truck;

(3) recreational equipment as defined in section 168.011, subdivision 25, that is operated for personal use; and

(4) all single unit vehicles except vehicles with a gross vehicle weight of ~~26,001~~ or more than 26,000 pounds, vehicles designed to carry more than 15 passengers including the driver, and vehicles that carry hazardous materials.

The holder of a class C license may also tow vehicles under 10,000 pounds if the combination of vehicles has a gross vehicle weight of 26,000 pounds or less.

(b) Class CC; valid for:

(1) operating class C vehicles;

(2) with a hazardous materials endorsement, transporting hazardous materials in class C vehicles; and

(3) with a school bus endorsement, operating school buses designed to transport 15 or fewer passengers, including the driver.

(c) Class B; valid for all vehicles in class C, class CC, and all other single unit vehicles including, with a passenger endorsement, buses.

(d) Class A; valid for any vehicle or combination thereof.

Sec. 20. Minnesota Statutes 1990, section 171.02, is amended by adding a subdivision to read:

Subd. 2a. [EXCEPTION.] Notwithstanding subdivision 2, a hazardous materials endorsement is not required to operate a vehicle having a gross vehicle weight of 26,000 pounds or less while carrying in bulk tanks a total of not more than 200 gallons of petroleum products and liquid fertilizer.

Sec. 21. Minnesota Statutes 1990, section 171.03, is amended to read:

171.03 [PERSONS EXEMPT.]

The following persons are exempt from license hereunder:

(1) any a person in the employ or service of the United States federal government while driving or operating a motor vehicle owned by or leased to the United States federal government, except that only a noncivilian operator of a commercial motor vehicle owned or leased by the United States Department of Defense or the Minnesota national guard is exempt from the requirement to possess a valid commercial motor vehicle driver's license;

(2) any person while driving or operating any farm tractor, or implement of husbandry temporarily operated or moved on a highway, and for purposes of this section an all-terrain vehicle, as defined in section 84.92, subdivision 8, is not an implement of husbandry;

(3) a nonresident who is at least 15 years of age and who has in immediate possession a valid driver's license issued to the nonresi-

dent in the home state or country may operate a motor vehicle in this state only as a driver;

(4) a nonresident who has in immediate possession a valid commercial driver's license issued by a state in compliance with the Commercial Motor Vehicle Safety Act of 1986, United States Code, title 49, sections 521, 2304, and 2701 to 2716, and who is operating in Minnesota the class of commercial motor vehicle authorized by the issuing state;

(5) any nonresident who is at least 18 years of age, whose home state or country does not require the licensing of drivers may operate a motor vehicle as a driver, only for a period of not more than 90 days in any calendar year if the motor vehicle so operated is duly registered for the current calendar year in the home state or country of such nonresident;

(6) any person who becomes a resident of the state of Minnesota and who has in possession a valid driver's license issued to the person under and pursuant to the laws of some other state or province or by military authorities of the United States may operate a motor vehicle as a driver, only for a period of not more than 60 days after becoming a resident of this state without being required to have a Minnesota driver's license as provided in this chapter;

(7) any person who becomes a resident of the state of Minnesota and who has in possession a valid commercial driver's license issued by another state in compliance with the Commercial Motor Vehicle Safety Act of 1986, United States Code, title 49, sections 521, 2304, and 2701 to 2716, for not more than 30 days after becoming a resident of this state; and

(8) any person operating a snowmobile, as defined in section 84.81.

Sec. 22. Minnesota Statutes 1990, section 171.07, subdivision 3, is amended to read:

Subd. 3. Upon payment of the required fee, the department shall issue to every applicant therefor a Minnesota identification card. The department may not issue a Minnesota identification card to a person who has a driver's license, other than an instruction permit or a limited license. The card must bear a distinguishing number assigned to the applicant, a colored photograph or an electronically produced image, the full name, date of birth, residence address, a description of the applicant in the manner as the commissioner deems necessary, and a space upon which the applicant shall write the usual signature and the date of birth of the applicant with pen and ink.

Each Minnesota identification card must be plainly marked "Min-

nesota identification card – not a driver's license." The fee for a Minnesota identification card issued to a person who is mentally retarded, as defined in section 252A.02, subdivision 2, is 50 cents.

Sec. 23. Minnesota Statutes 1990, section 171.165, subdivision 3, is amended to read:

Subd. 3. [GRAVE OR MULTIPLE OFFENSES.] Subject to section 171.166, the commissioner shall disqualify a person from operating commercial motor vehicles for:

(1) not less than three years, for a conviction or revocation set forth in subdivision 1 or 2 committed during the transportation of hazardous materials;

(2) not less than ten years, if the person is convicted a second or subsequent time of an offense set forth in subdivision 1 or if the person's license is revoked more than once under section 169.123 or 2, a statute of another state or ordinance in conformity with it, or any combination of ~~them~~ those offenses; or

(3) life, if the person is convicted under chapter 152 of a felony involving the manufacture, sale, or distribution of a controlled substance, or involving the possession of a controlled substance with intent to manufacture, sell, or distribute it, and the person is found to have used a commercial motor vehicle in the commission of the felony.

Sec. 24. Minnesota Statutes 1990, section 171.29, subdivision 1, is amended to read:

Subdivision 1. No person whose ~~drivers~~ driver's license has been revoked by reason of conviction, plea of guilty, or forfeiture of bail not vacated, under section 171.17 or 65B.67, or revoked under section 169.123 or 169.172 shall be issued another license unless and until that person shall have successfully passed an examination as required for an initial license.

Sec. 25. Minnesota Statutes 1990, section 171.30, subdivision 1, is amended to read:

Subdivision 1. [ISSUANCE.] In any case where a person's license has been suspended under section 171.18 or revoked under section 65B.67, 169.121, 169.123, 169.792, or 171.17, the commissioner may issue a limited license to the driver including under the following conditions:

(1) if the driver's livelihood or attendance at a chemical dependency treatment or counseling program depends upon the use of the driver's license;

(2) if the use of a driver's license by a homemaker is necessary to prevent the substantial disruption of the education, medical, or nutritional needs of the family of the homemaker; or

(3) if attendance at a post-secondary institution of education by an enrolled student of that institution depends upon the use of the driver's license.

The commissioner in issuing a limited license may impose such conditions and limitations as in the commissioner's judgment are necessary to the interests of the public safety and welfare including reexamination as to the driver's qualifications. The license may be limited to the operation of particular vehicles, to particular classes and times of operation and to particular conditions of traffic. The commissioner may require that an applicant for a limited license affirmatively demonstrate that use of public transportation or carpooling as an alternative to a limited license would be a significant hardship.

For purposes of this subdivision, "homemaker" refers to the person primarily performing the domestic tasks in a household of residents consisting of at least the person and the person's dependent child or other dependents.

The limited license issued by the commissioner shall clearly indicate the limitations imposed and the driver operating under the limited license shall have the license in possession at all times when operating as a driver.

In determining whether to issue a limited license, the commissioner shall consider the number and the seriousness of prior convictions and the entire driving record of the driver and shall consider the number of miles driven by the driver annually.

If the person's driver's license or permit to drive, or nonresident operating privileges, have been revoked under section 65B.67 or 169.172, the commissioner may only issue a limited license to the person after the person has presented an insurance identification card, policy, or written statement indicating that the driver or owner has insurance coverage satisfactory to the commissioner of public safety. The commissioner of public safety may require the insurance identification card provided to satisfy this subdivision be certified by the insurance company to be noncancelable for a period not to exceed 12 months.

Sec. 26. Minnesota Statutes 1990, section 297B.035, subdivision 2, is amended to read:

Subd. 2. [ANNUAL TAX FOR DEALER PLATE.] Motor vehicles which satisfy the definitions of subdivision 1, shall be taxed at a

yearly rate of \$15 per dealer plate. This tax shall be paid when dealer plates, tabs, or stickers are purchased and shall be deposited in the state treasury and credited as provided in section 297B.09. This tax shall be in lieu of any other state sales, excise, or use tax.

Sec. 27. [EFFECTIVE DATE.]

Sections 18 and 22 are effective the day following final enactment. Sections 7, 9, 10, and 26 are effective July 1, 1991, for dealer plates, tabs, and stickers bought on and after that date.

Delete the title and insert:

"A bill for an act relating to motor vehicles; allowing personalized license plates for classic, pioneer, collector, and street rod vehicles; providing for seven-year, in transit license plates for motor vehicle dealers; making technical changes in driver's license law; clarifying procedure for review of driver's license revocation or disqualification under implied consent law; defining hazardous materials, commercial motor vehicle, and farm truck; allowing class C driver's license holder to tow when the gross weight of the vehicles is 26,000 pounds or less; restricting exemption for drivers of certain federal vehicles from requirement to possess commercial driver's license; clarifying offenses for which driver may be disqualified from holding commercial driver's license; requiring person whose driver's license has been revoked to pass examination under certain circumstances; permitting qualified driver to obtain limited license following revocation for failure to have vehicle insurance; amending Minnesota Statutes 1990, sections 168.10, subdivisions 1a, 1b, 1c, and 1d; 168.105, subdivision 3; 168.12, subdivisions 1 and 2a; 168.27, subdivisions 16 and 17; 169.01, subdivision 75, and by adding a subdivision; 169.121, subdivision 8; 169.123, subdivisions 5c and 8; 171.01, subdivision 22, and by adding subdivisions; 171.02, subdivisions 1, 2, and by adding a subdivision; 171.03; 171.165, subdivision 3; 171.07, subdivision 3; 171.29, subdivision 1; 171.30, subdivision 1; and 297B.035, subdivision 2."

The motion prevailed and the amendment was adopted.

S. F. No. 208, A bill for an act relating to motor vehicles; providing for seven-year, in transit license plates for motor vehicle dealers; amending Minnesota Statutes 1990, sections 168.12, subdivision 1; 168.27, subdivisions 16 and 17; and 297B.035, 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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kalis	Ogren	Simoneau
Anderson, I.	Frerichs	Kelso	Olsen, S.	Skoglund
Anderson, R. H.	Garcia	Kinkel	Olson, E.	Smith
Battaglia	Girard	Knickerbocker	Olson, K.	Solberg
Bauerly	Goodno	Koppendrayner	Omman	Sparby
Beard	Greenfield	Krinkie	Onnen	Stanius
Begich	Gruenes	Krueger	Orenstein	Steensma
Bertram	Gutknecht	Lasley	Orfield	Sviggum
Bettermann	Hanson	Leppik	Osthoff	Swenson
Bishop	Hartle	Lieder	Ostrom	Thompson
Blatz	Hasskamp	Limmer	Ozment	Tompkins
Bodahl	Haukoos	Long	Pellow	Trimble
Boo	Hausman	Lourey	Pelowski	Tunheim
Brown	Heir	Lynch	Peterson	Uphus
Carlson	Henry	Macklin	Pugh	Valento
Carruthers	Hufnagle	Mariani	Reding	Vellenga
Clark	Hugoson	Marsh	Rest	Wagenius
Cooper	Jacobs	McGuire	Rice	Waltman
Dauner	Janezich	McPherson	Rodosovich	Weaver
Davids	Jaros	Milbert	Rukavina	Wejzman
Dawkins	Jefferson	Morrison	Runbeck	Welker
Dempsey	Jennings	Munger	Schafer	Welle
Dille	Johnson, A.	Murphy	Scheid	Wenzel
Dorn	Johnson, R.	Nelson, K.	Schreiber	Winter
Erhardt	Johnson, V.	Nelson, S.	Seaberg	Spk. Vanasek
Farrell	Kahn	Newinski	Segal	

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

H. F. No. 1109, A bill for an act relating to economic development; creating Advantage Minnesota, Inc.; requiring a report to the legislature; proposing coding for new law in Minnesota Statutes, chapter 116J.

The bill was read for the third 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	Goodno	Jaros	Leppik
Anderson, I.	Clark	Greenfield	Jefferson	Lieder
Anderson, R. H.	Cooper	Gruenes	Jennings	Limmer
Battaglia	Dauner	Gutknecht	Johnson, A.	Long
Bauerly	Davids	Hanson	Johnson, R.	Lourey
Beard	Dawkins	Hartle	Johnson, V.	Lynch
Begich	Dempsey	Hasskamp	Kahn	Macklin
Bertram	Dille	Haukoos	Kalis	Mariani
Bettermann	Dorn	Hausman	Kelso	Marsh
Bishop	Erhardt	Heir	Kinkel	McEachern
Blatz	Farrell	Henry	Knickerbocker	McGuire
Bodahl	Frederick	Hufnagle	Koppendrayner	McPherson
Boo	Frerichs	Hugoson	Krinkie	Milbert
Brown	Garcia	Jacobs	Krueger	Morrison
Carlson	Girard	Janezich	Lasley	Munger

Murphy	Orfield	Rukavina	Sparby	Wagenius
Nelson, K.	Osthoff	Runbeck	Stanius	Waltman
Nelson, S.	Ostrom	Sarna	Steensma	Weaver
Newinski	Ozment	Schafer	Svigum	Wejzman
O'Connor	Pellow	Scheid	Swenson	Welker
Ogren	Pelowski	Schreiber	Thompson	Welle
Olsen, S.	Peterson	Seaberg	Tompkins	Wenzel
Olson, E.	Pugh	Segal	Trimble	Spk. Vanasek
Olson, K.	Reding	Simoneau	Tunheim	
Omann	Rest	Skoglund	Uphus	
Onnen	Rice	Smith	Valento	
Orenstein	Rodosovich	Solberg	Vellenga	

The bill was passed and its title agreed to.

S. F. No. 783 was reported to the House.

Dille moved to amend S. F. No. 783, the unofficial engrossment, as follows:

Page 1, line 21, reinstate the stricken language and delete “health”

Page 9, line 34, delete “; INCREASED COMPLEMENT”

Page 9, delete lines 35 to 36

Page 10, line 1, delete everything before “The amount”

Page 10, line 4, delete everything after the second “by” and insert “\$125,000.”

Page 10, line 5, delete everything before the period

Page 10, line 6, delete everything after “the”

Page 10, line 7, delete everything before “pollution”

Page 10, line 8, delete “two” and insert “one”

The motion prevailed and the amendment was adopted.

Dille moved to amend S. F. No. 783, the unofficial engrossment, as amended, as follows:

Page 4, line 20, after the period insert “Long-term health care facilities, including nursing homes, boarding care facilities, or intermediate care facilities, with less than 25 licensed beds shall have a fee of \$40.”

The motion prevailed and the amendment was adopted.

S. F. No. 783, A bill for an act relating to health; infectious waste control; transferring responsibility for infectious waste from the pollution control agency to the department of health; clarifying that veterinarians are also covered by the act; clarifying requirements for management and generators' plans; allowing certain medical waste to be mixed with other waste under certain conditions; creating a medical waste task force; appropriating money; amending Minnesota Statutes 1990, sections 116.76, subdivision 5; 116.77; 116.78, subdivision 4; 116.79, subdivisions 1, 3, and 4; 116.80, subdivisions 2 and 3; 116.81, subdivision 1; 116.82, subdivision 3; and 116.83; repealing Minnesota Statutes 1990, sections 116.76, subdivision 2; and 116.81, 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 129 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Garcia	Knickerbocker	Olsen, S.	Simoneau
Anderson, I.	Girard	Koppendrayer	Olson, E.	Skoglund
Anderson, R. H.	Goodno	Krinkie	Olson, K.	Smith
Battaglia	Greenfield	Krueger	Omann	Solberg
Bauerly	Gruenes	Lasley	Onnen	Sparby
Beard	Gutknecht	Leppik	Orenstein	Stanius
Begich	Hanson	Lieder	Orfield	Steenma
Bertram	Hartle	Limmer	Osthoff	Sviggum
Bettermann	Hasskamp	Long	Ostrom	Swenson
Bishop	Hausman	Lourey	Ozment	Thompson
Blatz	Heir	Lynch	Pellow	Tompkins
Bodahl	Henry	Macklin	Pelowski	Trimble
Boo	Hufnagle	Mariani	Peterson	Tunheim
Brown	Hugoson	Marsh	Pugh	Uphus
Carlson	Jacobs	McEachern	Reding	Valento
Carruthers	Janezich	McGuire	Rest	Vellenga
Cooper	Jaros	McPherson	Rice	Wagenius
Davids	Jefferson	Milbert	Rodosovich	Waltman
Dawkins	Jennings	Morrison	Rukavina	Weaver
Dempsey	Johnson, A.	Munger	Runbeck	Wejcmann
Dille	Johnson, R.	Murphy	Sarna	Welker
Dorn	Johnson, V.	Nelson, K.	Schafer	Welle
Erhardt	Kahn	Nelson, S.	Scheid	Wenzel
Farrell	Kalis	Newinski	Schreiber	Winter
Frederick	Kelso	O'Connor	Seaberg	Spk. Vanasek
Frerichs	Kinkel	Ogren	Segal	

Those who voted in the negative were:

Haukoos

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

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

RECESS

RECONVENED

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

SPECIAL ORDERS

H. F. No. 540 was reported to the House.

Marsh moved to amend H. F. No. 540, the first engrossment, as follows:

Delete everything after the enacting clause and insert:

“Section 1. [609.663] [DISPLAY OF HANDGUN AMMUNITION.]

It is a petty misdemeanor to display centerfire metallic-case handgun ammunition for sale to the public in a manner that makes the ammunition directly accessible to persons under the age of 18 years, other than employees or agents of the seller, unless the display is under observation of the seller or the seller's employee or agent, or the seller takes reasonable steps to exclude underage persons from the immediate vicinity of the display. Ammunition displayed in an enclosed display case or behind a counter is not directly accessible. This section does not apply to ammunition suitable for big game hunting.”

Delete the title and insert:

“A bill for an act relating to crimes; regulating the display of handgun ammunition; proposing coding for new law in Minnesota Statutes, chapter 609.”

The motion prevailed and the amendment was adopted.

H. F. No. 540, A bill for an act relating to crimes; regulating the display of handgun ammunition; proposing coding for new law in Minnesota Statutes, chapter 609.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Ogren	Segal
Anderson, I.	Frerichs	Kinkel	Olsen, S.	Simoneau
Anderson, R. H.	Garcia	Knickerbocker	Olsen, E.	Skoglund
Battaglia	Girard	Koppendrayer	Olsen, K.	Smith
Bauerly	Goodno	Krueger	Omann	Solberg
Beard	Greenfield	Lasley	Onnen	Sparby
Begich	Gruenes	Leppik	Orenstein	Stanius
Bertram	Gutknecht	Lieder	Orfield	Steensma
Bettermann	Hanson	Limmer	Osthoff	Sviggum
Bishop	Hartle	Long	Ostrom	Swenson
Blatz	Hasskamp	Lourey	Ozment	Thompson
Bodahl	Haukoos	Lynch	Pellow	Tompkins
Boo	Hausman	Macklin	Pelowski	Trimble
Brown	Heir	Mariani	Peterson	Tunheim
Carlson	Henry	Marsh	Pugh	Uphus
Carruthers	Hugoson	McEachern	Reding	Valento
Clark	Jacobs	McGuire	Rest	Vellenga
Cooper	Janezich	McPherson	Rice	Wagenius
Dauner	Jaros	Milbert	Rodosovich	Waltman
Davids	Jefferson	Morrison	Rukavina	Weaver
Dawkins	Jennings	Munger	Runbeck	Wejeman
Dempsey	Johnson, A.	Murphy	Sarna	Welle
Dille	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dorn	Johnson, V.	Nelson, S.	Scheid	Winter
Erhardt	Kahn	Newinski	Schreiber	Spk. Vanasek
Farrell	Kalis	O'Connor	Seaberg	

Those who voted in the negative were:

Hufnagle	Krinkie	Welker
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The bill was passed, as amended, and its title agreed to.

S. F. No. 950 was reported to the House.

Wejeman moved to amend S. F. No. 950, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 504.181, subdivision 1, is amended to read:

Subdivision 1. [~~COVENANT NOT TO SELL DRUGS OR ALLOW DRUG SALES~~ DRUGS.] In every lease or license of residential premises, whether in writing or parol, the lessee or licensee covenants that:

(1) the lessee or licensee will not unlawfully allow controlled substances in the those premises; and

(2) the common area; and curtilage will not be used by the lessee or licensee or others acting under his or her control to manufacture, sell, give away, barter, deliver, exchange, distribute, or possess with intent to manufacture, sell, give away, barter, deliver, exchange, or distribute a controlled substance in violation of chapter 152.

The covenant is not violated when a person other than the lessee or licensee possesses or allows controlled substances in the premises, common area, or curtilage, unless the tenant knew or had reason to know of that activity.

Sec. 2. Minnesota Statutes 1990, section 566.09, is amended to read:

566.09 [JUDGMENT; FINE; EXECUTION.]

Subdivision 1. [GENERAL.] If the court or jury finds for the plaintiff, the court shall immediately enter judgment that the plaintiff have restitution of the premises and tax the costs for the plaintiff. The court shall issue execution in favor of the plaintiff for the costs and also immediately issue a writ of restitution. Upon a showing by the defendant that immediate restitution of the premises would work a substantial hardship upon the defendant or the defendant's family, the court shall stay the writ of restitution for a reasonable period, not to exceed seven days. If the court or jury finds for the defendant, the court shall enter judgment for the defendant, tax the costs against the plaintiff, and issue execution therefor.

Subd. 2. [REAL PROPERTY; SEIZURES.] Notwithstanding subdivision 1, if the court or jury finds for the plaintiff in an action brought under section 566.02 as required by section 609.5317, subdivision 1, the court shall immediately enter judgment that the plaintiff shall have restitution of the premises and tax the costs for the plaintiff. the court shall issue execution in favor of the plaintiff for the costs and also shall immediately issue a writ of restitution. The court shall not stay the writ of restitution. If the court or jury finds for the defendant, the court shall enter judgment for the defendant, tax the costs against the plaintiff, and issue execution therefor.

Sec. 3. Minnesota Statutes 1990, section 609.33, is amended by adding a subdivision to read:

Subd. 6. [PRETRIAL RELEASE.] When a person is charged under this section with owning or leasing a disorderly house, the court may require as a condition of pretrial release that the defendant

bring an unlawful detainer action against a lessee who has violated the covenant not to allow drugs established by section 504.181.

Sec. 4. Minnesota Statutes 1990, section 609.5317, subdivision 4, is amended to read:

Subd. 4. [LIMITATIONS.] This section shall not apply if the retail value of the ~~contraband or~~ controlled substance is less than the amount specified in section 609.5311, subdivision 3, paragraph (b) \$100, but this section does not subject real property to forfeiture under section 609.5311 unless the retail value of the controlled substance is: (1) \$1,000 or more; or (2) there have been two previous controlled substance seizures involving the same tenant.

Sec. 5. Minnesota Statutes 1990, section 617.80, subdivision 8, is amended to read:

Subd. 8. [INTERESTED PARTY.] "Interested party" for purposes of sections 617.80 to 617.87 means any known lessee, or tenant, or occupant of a building or affected portion of a building and any known agent of an owner, lessee, or tenant, ~~or occupant~~.

Sec. 6. Minnesota Statutes 1990, section 617.81, subdivision 2, is amended to read:

Subd. 2. [ACTS CONSTITUTING A NUISANCE.] (a) For purposes of sections 617.80 to 617.87 a public nuisance exists upon proof of three or more misdemeanor convictions or two or more convictions, of which at least one is a gross misdemeanor or felony, within the previous two years for:

(1) acts of prostitution or prostitution-related offenses committed within the building;

(2) acts of gambling or gambling-related offenses committed within the building;

(3) keeping or permitting a disorderly house within the building;

(4) unlawful sale or possession of controlled substances committed within the building;

(5) unlicensed sales of alcoholic beverages committed within the building in violation of section 340A.401; ~~or~~

(6) unlawful sales or gifts of alcoholic beverages by an unlicensed person committed within the building in violation of section 340A.503, subdivision 2, clause (1); ~~or~~

(7) unlawful use or possession of a firearm in violation of section 609.66, subdivision 1a, 609.67, or 624.713, committed within the building.

(b) A second or subsequent conviction under paragraph (a) may be used to prove the existence of a nuisance if the conduct on which the second or subsequent conviction is based occurred within two years following the first conviction, regardless of the date of the conviction for the second or subsequent offense.

Sec. 7. Minnesota Statutes 1990, section 617.81, is amended by adding a subdivision to read:

Subd. 2a. [SEIZURES AND ARRESTS CONSTITUTING A NUISANCE.] For purposes of sections 617.80 to 617.87, a public nuisance exists upon proof of three qualifying events that occurred on different days within the previous two months. For purposes of this section, "qualifying event" means a lawful seizure of controlled substances within the building or a lawful arrest within the building for the possession or sale of controlled substances within the building or on the building's curtilage.

Sec. 8. Minnesota Statutes 1990, section 617.81, subdivision 3, is amended to read:

Subd. 3. [NOTICE.] Notice of a conviction described in subdivision 2, or of a qualifying event described in subdivision 2a, must be mailed by the court administrator to the owner of the building where the offense was committed and all other interested parties and must be filed with the county recorder's office. This notice is considered sufficient to inform all interested parties that the building or a portion of it is being used for purposes constituting a public nuisance."

Delete the title and insert:

"A bill for an act relating to public safety; requiring tenants to covenant not to allow any controlled substances on rental property; allowing the closing of an alleged disorderly house during pretrial release of owner; lowering the threshold amount of seized controlled substance necessary to warrant unlawful detainer action; providing that certain weapons offenses and controlled substance seizures and arrests may form the basis for a nuisance action; amending Minnesota Statutes 1990, sections 504.181, subdivision 1; 566.09; 609.33, by adding a subdivision; 609.5317, subdivision 4; 617.80, subdivision 8; and 617.81, subdivisions 2 and 3, and by adding a subdivision."

The motion prevailed and the amendment was adopted.

Wejcman, Skoglund and Dawkins moved to amend S. F. No. 950, as amended, as follows:

Page 1, line 29, after "of" insert "any criminal provision of"

Page 2, line 2, delete "tenant" and insert "lessee or licensee"

Page 2, line 12, after the period, insert "Except in actions brought under section 566.02 as required by section 609.5317, subdivision 1,"

Page 2, delete lines 19 to 30, and insert:

"Subd. 2. [REAL PROPERTY; SEIZURES.] If the court enters judgment for the plaintiff in an action brought under section 566.02 as required by section 609.5317, subdivision 1, the court may not stay issuance of the writ of restitution unless the court makes written findings specifying the extraordinary or exigent circumstances that warrant staying the writ for a reasonable period, not to exceed seven days."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 950, A bill for an act relating to public safety; requiring tenants to covenant not to allow any controlled substances on rental property; allowing the closing of an alleged disorderly house during pretrial release of owner; lowering the threshold amount of seized controlled substance necessary to warrant unlawful detainer action; providing that certain weapons offenses and controlled substance seizures and arrests may form the basis for a nuisance action; amending Minnesota Statutes 1990, sections 504.181, subdivision 1; 609.33, by adding a subdivision; 609.5317, subdivision 4; 617.80, subdivision 8; and 617.81, subdivisions 2 and 3, 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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Olsen, S.	Skoglund
Anderson, I.	Garcia	Knickerbocker	Olson, E.	Smith
Anderson, R. H.	Girard	Koppendrayer	Olson, K.	Solberg
Battaglia	Goodno	Krinkie	Omnn	Sparby
Bauerly	Greenfield	Krueger	Onnen	Stanisus
Beard	Gruenes	Lasley	Orenstein	Steenasma
Begich	Gutknecht	Leppik	Orfield	Sviggum
Bertram	Hanson	Lieder	Osthoff	Swenson
Bettermann	Hartle	Limmer	Ostrom	Thompson
Bishop	Hasskamp	Long	Ozment	Tompkins
Blatz	Haukoos	Lourey	Pellow	Trimble
Bodahl	Hausman	Lynch	Pelowski	Tunheim
Boo	Heir	Macklin	Peterson	Uphus
Brown	Henry	Mariani	Pugh	Valento
Carlson	Hufnagle	Marsh	Reding	Vellenga
Carruthers	Hugoson	McEachern	Rest	Wagenius
Clark	Jacobs	McGuire	Rice	Waltman
Cooper	Janezich	McPherson	Rodosovich	Weaver
Dauner	Jaros	Milbert	Rukavina	Wejcmann
Dauids	Jefferson	Morrison	Runbeck	Walker
Dawkins	Jennings	Munger	Sarna	Welle
Dempsey	Johnson, A.	Murphy	Schafer	Wenzel
Dille	Johnson, R.	Nelson, K.	Scheid	Winter
Dorn	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Erhardt	Kahn	Newinski	Seaberg	
Farrell	Kalis	O'Connor	Segal	
Frederick	Kelso	Ogren	Simoneau	

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

S. F. No. 962 was reported to the House.

Murphy moved that S. F. No. 962 be temporarily laid over on Special Orders. The motion prevailed.

S. F. No. 1289, A bill for an act relating to state lands; prohibiting sale of state lands administered by the department of natural resources to any employee of the department; proposing coding for new law in Minnesota Statutes, chapter 92.

The bill was read for the third 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	Begich	Boo	Dauner	Erhardt
Anderson, I.	Bertram	Brown	Dauids	Farrell
Anderson, R. H.	Bettermann	Carlson	Dawkins	Frederick
Battaglia	Bishop	Carruthers	Dempsey	Frerichs
Bauerly	Blatz	Clark	Dille	Garcia
Beard	Bodahl	Cooper	Dorn	Girard

Goodno	Kahn	Morrison	Pugh	Swenson
Greenfield	Kalis	Munger	Reding	Thompson
Gruenes	Kelso	Murphy	Rest	Tompkins
Gutknecht	Kinkel	Nelson, K.	Rice	Trimble
Hanson	Knickerbocker	Nelson, S.	Rodosovich	Tunheim
Hartle	Koppendrayer	Newinski	Rukavina	Uphus
Hasskamp	Krueger	O'Connor	Runbeck	Valento
Haukoos	Lasley	Ogren	Sarna	Vellenga
Hausman	Leppik	Olsen, S.	Schafer	Wagenius
Heir	Lieder	Olson, E.	Scheid	Waltman
Henry	Limmer	Olson, K.	Schreiber	Weaver
Hufnagle	Long	Omann	Seaberg	Wejcman
Hugoson	Lourey	Onnen	Segal	Welker
Jacobs	Lynch	Orenstein	Simoneau	Welle
Janezich	Macklin	Orfield	Skoglund	Wenzel
Jaros	Mariani	Osthoff	Smith	Winter
Jefferson	Marsh	Ostrom	Solberg	Spk. Vanasek
Jennings	McEachern	Ozment	Sparby	
Johnson, A.	McGuire	Pellow	Stanius	
Johnson, R.	McPherson	Pelowski	Steensma	
Johnson, V.	Milbert	Peterson	Svigum	

The bill was passed and its title agreed to.

H. F. No. 474 was reported to the House.

Bauerly moved that H. F. No. 474 be continued on Special Orders. The motion prevailed.

S. F. No. 1034 was reported to the House.

Segal moved to amend S. F. No. 1034, as follows:

Page 1, line 18, delete "\$50,000" and insert "\$25,000"

The motion prevailed and the amendment was adopted.

Blatz moved to amend S. F. No. 1034, as amended, as follows:

In the Segal amendment, page 1, line 2, delete "\$25,000" and insert "\$10,000"

The motion prevailed and the amendment was adopted.

Welker moved to amend S. F. No. 1034, as amended, as follows:

Page 2, line 17, delete "\$50,000" and insert "\$10,000"

The motion prevailed and the amendment was adopted.

S. F. No. 1034, A bill for an act relating to civil actions; increasing penalties for retaliation by employers under the child abuse and vulnerable adults reporting acts; amending Minnesota Statutes 1990, sections 626.556, subdivision 4a; and 626.557, subdivision 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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Olsen, S.	Skoglund
Anderson, I.	Garcia	Knickerbocker	Olson, E.	Smith
Anderson, R. H.	Girard	Koppendrayner	Olson, K.	Solberg
Battaglia	Goodno	Krinkie	Omann	Sparby
Bauerly	Greenfield	Krueger	Onnen	Stanius
Beard	Gruenes	Lasley	Orenstein	Steensma
Begich	Gutknecht	Leppik	Orfield	Sviggum
Bertram	Hanson	Lieder	Osthoff	Swenson
Bettermann	Hartle	Limmer	Ostrom	Thompson
Bishop	Hasskamp	Long	Ozment	Tompkins
Blatz	Haukoos	Lourey	Pellow	Trimble
Bodahl	Hausman	Lynch	Pelowski	Tunheim
Boo	Heir	Macklin	Peterson	Uphus
Brown	Henry	Mariani	Pugh	Valento
Carlson	Hufnagle	Marsh	Reding	Vellenga
Carruthers	Hugoson	McEachern	Rest	Wagenius
Clark	Jacobs	McGuire	Rice	Waltman
Cooper	Janezich	McPherson	Rodosovich	Weaver
Dauner	Jaros	Milbert	Rukavina	Wejcman
Davids	Jefferson	Morrison	Runbeck	Welker
Dawkins	Jennings	Munger	Sarna	Welle
Dempsey	Johnson, A.	Murphy	Schafer	Wenzel
Dille	Johnson, R.	Nelson, K.	Scheid	Winter
Dorn	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Erhardt	Kahn	Newinski	Seaberg	
Farrell	Kalis	O'Connor	Segal	
Frederick	Kelso	Ogren	Simoneau	

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

S. F. No. 764 was reported to the House.

Osthoff moved to amend S. F. No. 764, as follows:

Delete everything after the enacting clause and insert:

“Section 1. [184B.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of this chapter, the terms defined in this section have the meanings given them.

Subd. 2. [AMUSEMENT RIDE.] “Amusement ride” means a mechanical device that carries or conveys passengers along, around, or over a fixed or restricted route or course for the purpose of giving its passengers amusement, pleasure, thrills, or excitement.

“Amusement ride” does not include:

(1) a coin-operated ride that is manually, mechanically, or electrically operated and customarily placed in a public location and that does not normally require the supervision or services of an operator; or

(2) nonmechanized playground equipment, including but not limited to swings, seesaws, stationary spring-mounted animal features, rider-propelled merry-go-rounds, climbers, playground slides, trampolines, and physical fitness devices.

Subd. 3. [COMMISSIONER.] “Commissioner” means the commissioner of labor and industry.

Subd. 4. [OPERATOR.] “Operator” means a person, or an agent of a person, who owns or controls or has the duty to control the operation of an amusement ride.

Sec. 2. [184B.02] [INSURANCE REQUIREMENTS.]

An operator must have an insurance policy in force written by an insurance company authorized to do business in this state, in an amount of not less than \$1,000,000 per occurrence, insuring the operator against liability for injury to persons arising out of the use of an amusement ride.

Sec. 3. [184B.03] [INSPECTION.]

An amusement ride must be inspected at least once annually by an insurer or a person with whom the insurer has contracted. If an inspection reveals that an amusement ride does not meet the insurer's underwriting standards, the insurer must notify the operator. An operator must not operate an amusement ride until the ride passes an insurer's inspection for all items related to safe operation of the amusement ride.

The inspection required under this section must include testing consistent with current American Society for Testing and Material standards and specifications for amusement rides and devices. The inspection required by this section is in addition to any other inspection required or permitted by law.

Sec. 4. [184B.04] [FILING.]

An operator must file with each sponsor, lessor, landowner, or other person responsible for an amusement ride being offered for use by the public:

(1) a certificate stating that the insurance required by section 2 is in effect; and

(2) an affidavit attesting that the inspection required by section 3 has been performed.

Sec. 5. [184B.05] [COMMISSIONER INFORMATION REQUESTS.]

The commissioner may request from the sponsor, lessor, landowner, or other person responsible for an amusement ride being offered for use by the public, whether or not the person is the operator, information concerning whether the insurance required by section 2 is in effect on the amusement ride, and whether the inspection required by section 3 has occurred. The person to whom the information request is made must respond to the commissioner within 15 days after the request is made.

Sec. 6. [184B.06] [CIVIL PENALTY.]

A person that violates sections 1 to 5 is subject to a fine of up to \$2,000 for each day the violation exists. A county attorney in a county in which an amusement ride is operated in violation of this chapter may enforce this section by action in district court.

Sec. 7. [184B.07] [INJUNCTIONS.]

A county attorney in a county in which an amusement ride is operated or, on request of the commissioner, the attorney general, may obtain an injunction or other equitable relief against an actual or threatened violation of this chapter."

The motion prevailed and the amendment was adopted.

S. F. No. 764, A bill for an act relating to public safety; regulating amusement rides; requiring insurance and inspections; providing penalties; proposing coding for new law as Minnesota Statutes, chapter 184B.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Ogren	Segal
Anderson, I.	Garcia	Knickerbocker	Olsen, S.	Simoneau
Anderson, R. H.	Girard	Koppendrayer	Olsen, E.	Skoglund
Battaglia	Goodno	Krinkie	Olson, K.	Smith
Bauerly	Greenfield	Krueger	Omann	Solberg
Beard	Gruenes	Lasley	Onnen	Sparby
Begich	Gutknecht	Leppik	Orenstein	Stanius
Bertram	Hanson	Lieder	Orfield	Steensma
Bettermann	Hartle	Limmer	Osthoff	Sviggum
Blatz	Hasskamp	Long	Ostrom	Swenson
Bodahl	Haukoos	Lourey	Ozment	Thompson
Boo	Hausman	Lynch	Pellow	Tompkins
Brown	Heir	Macklin	Pelowski	Trimble
Carlson	Henry	Mariani	Peterson	Tunheim
Carruthers	Hufnagle	Marsh	Pugh	Uphus
Clark	Hugoson	McEachern	Reding	Valento
Cooper	Jacobs	McGuire	Rest	Vellenga
Dauner	Janezich	McPherson	Rice	Wagenius
Dauids	Jaros	Milbert	Rodosovich	Waltman
Dawkins	Jefferson	Morrison	Rukavina	Weaver
Dempsey	Jennings	Munger	Runbeck	Wejcmán
Dille	Johnson, R.	Murphy	Sarna	Welker
Dorn	Johnson, V.	Nelson, K.	Schafer	Welle
Erhardt	Kahn	Nelson, S.	Scheid	Wenzel
Farrell	Kalis	Newinski	Schreiber	Winter
Frederick	Kelso	O'Connor	Seaberg	Spk. Vanasek

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

S. F. No. 765 was reported to the House.

Lynch moved that S. F. No. 765 be temporarily laid over on Special Orders. The motion prevailed.

H. F. No. 1088, A bill for an act relating to economic development; establishing the regional seed capital program; amending Minnesota Statutes 1990, section 469.101, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 1160.

The bill was read for the third 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	Bertram	Carlson	Dempsey	Garcia
Anderson, I.	Bettermann	Carruthers	Dille	Girard
Anderson, R. H.	Bishop	Clark	Dorn	Goodno
Battaglia	Blatz	Cooper	Erhardt	Greenfield
Bauerly	Bodahl	Dauner	Farrell	Gruenes
Beard	Boo	Dauids	Frederick	Gutknecht
Begich	Brown	Dawkins	Frerichs	Hanson

Hartle	Knickerbocker	Munger	Peterson	Stanius
Hasskamp	Koppendrayner	Murphy	Pugh	Steensma
Haukoos	Krinkie	Nelson, K.	Reding	Sviggum
Hausman	Krueger	Nelson, S.	Rest	Swenson
Heir	Lasley	Newinski	Rice	Thompson
Henry	Leppik	O'Connor	Rodosovich	Tompkins
Hufnagle	Lieder	Ogren	Rukavina	Trimble
Hugoson	Limmer	Olsen, S.	Runbeck	Tunheim
Jacobs	Long	Olsen, E.	Sarna	Uphus
Janezich	Lourey	Olson, K.	Schafer	Valento
Jaros	Lynch	Omann	Scheid	Wagenius
Jennings	Macklin	Onnen	Schreiber	Waltman
Johnson, A.	Mariani	Orenstein	Seaberg	Weaver
Johnson, R.	Marsh	Orfield	Segal	Wejcmann
Johnson, V.	McEachern	Osthoff	Simoneau	Welker
Kahn	McGuire	Ostrom	Skoglund	Welle
Kalis	McPherson	Ozment	Smith	Wenzel
Kelso	Milbert	Pellow	Solberg	Winter
Kinkel	Morrison	Pelowski	Sparby	Spk. Vanasek

The bill was passed and its title agreed to.

S. F. No. 1164, A bill for an act relating to local government; permitting the city of Biwabik and the town of White to establish a joint east range economic development authority.

The bill was read for the third time and placed upon its final passage.

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

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Olsen, S.	Skoglund
Anderson, I.	Garcia	Knickerbocker	Olson, E.	Smith
Anderson, R. H.	Girard	Koppendrayner	Olson, K.	Solberg
Battaglia	Goodno	Krinkie	Omann	Sparby
Bauerly	Greenfield	Krueger	Onnen	Stanius
Beard	Gruenes	Lasley	Orenstein	Steensma
Begich	Gutknecht	Leppik	Orfield	Sviggum
Bertram	Hanson	Lieder	Osthoff	Swenson
Bettermann	Hartle	Limmer	Ostrom	Thompson
Bishop	Hasskamp	Long	Ozment	Tompkins
Blatz	Haukoos	Lourey	Pellow	Trimble
Bodahl	Hausman	Lynch	Pelowski	Tunheim
Boo	Heir	Macklin	Peterson	Uphus
Brown	Henry	Mariani	Pugh	Valento
Carlson	Hufnagle	Marsh	Reding	Vellenga
Carruthers	Hugoson	McEachern	Rest	Wagenius
Clark	Jacobs	McGuire	Rice	Waltman
Cooper	Janezich	McPherson	Rodosovich	Weaver
Dauner	Jaros	Milbert	Rukavina	Wejcmann
Davids	Jefferson	Morrison	Runbeck	Welker
Dawkins	Jennings	Munger	Sarna	Welle
Dempsey	Johnson, A.	Murphy	Schafer	Wenzel
Dille	Johnson, R.	Nelson, K.	Scheid	Winter
Dorn	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Erhardt	Kahn	Newinski	Seaberg	
Farrell	Kalis	O'Connor	Segal	
Frederick	Kelso	Ogren	Simoneau	

The bill was passed and its title agreed to.

The Speaker called Johnson, A., to the Chair.

S. F. No. 520 was reported to the House.

Dawkins moved to amend S. F. No. 520, as follows:

Page 4, line 8, delete "February" and insert "December"

Page 4, line 35, delete "1992" and insert "1993"

The motion prevailed and the amendment was adopted.

Vellenga, Pugh, Scheid, Solberg and Dempsey moved to amend S. F. No. 520, as amended, as follows:

Page 4, line 3, before the period insert "before July 1, 1993"

Page 4, delete lines 34 and 35

The motion prevailed and the amendment was adopted.

S. F. No. 520, A bill for an act relating to legal services; requesting the supreme court to study the feasibility of adopting rules governing the delivery of legal services by specialized legal assistants; amending Minnesota Statutes 1990, section 481.02, 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 116 yeas and 16 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Boo	Dorn	Hasskamp	Johnson, A.
Anderson, R. H.	Brown	Erhardt	Haukoos	Johnson, R.
Battaglia	Carlson	Farrell	Hausman	Johnson, V.
Bauerly	Carruthers	Frerichs	Heir	Kahn
Beard	Clark	Garcia	Henry	Kalis
Begich	Cooper	Goodno	Jacobs	Kelso
Bertram	Dauner	Greenfield	Janezich	Kinkel
Bettermann	Davids	Gruenes	Jaros	Koppendrayner
Bishop	Dawkins	Hanson	Jefferson	Krinkie
Bodahl	Dille	Hartle	Jennings	Krueger

Lasley	Munger	Ostrom	Seaberg	Uphus
Leppik	Murphy	Ozment	Segal	Valento
Lieder	Nelson, K.	Pelowski	Simoneau	Vellenga
Limmer	Nelson, S.	Peterson	Skoglund	Wagenius
Long	Newinski	Pugh	Smith	Waltman
Lourey	O'Connor	Reding	Solberg	Wejcman
Macklin	Ogren	Rest	Sparby	Welle
Mariani	Olson, E.	Rice	Stanius	Wenzel
Marsh	Olson, K.	Rodosovich	Steensma	Winter
McEachern	Omann	Rukavina	Swenson	Spk. Vanasek
McGuire	Onnen	Runbeck	Thompson	
McPherson	Orenstein	Sarna	Tompkins	
Milbert	Orfield	Scheid	Trimble	
Morrison	Osthoff	Schreiber	Tunheim	

Those who voted in the negative were:

Abrams	Girard	Knickerbocker	Schafer
Blatz	Gutknecht	Lynch	Sviggum
Dempsey	Hufnagle	Olsen, S.	Weaver
Frederick	Hugoson	Fellow	Welker

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

S. F. No. 588 was reported to the House.

Solberg, Munger and Battaglia moved to amend S. F. No. 588, as follows:

Page 2, line 12, delete "gross"

Page 2, after line 21, insert:

"Sec. 3. [TIMBER PERMIT; SUBSTITUTION OF NON-OLD GROWTH TIMBER.]

Notwithstanding Minnesota Statutes, sections 90.031, subdivision 4; 90.101; 90.14; and 90.151, if any timber permit sold at public auction prior to December 31, 1990, included timber that would be a candidate for old growth status under the department of natural resources old growth guidelines dated December 28, 1990, the commissioner, with the consent of the permittee, is hereby authorized to cancel, in whole or in part, or modify such timber permit and substitute, for the timber which has been withdrawn from the timber permit, an equivalent volume of other non-old growth timber at appraised value from areas not designated for cutting on the original timber appraisal report or from other state lands. The commissioner shall adjust the amount of the advance payment and bond on a pro rata basis."

Page 2, line 24, after the period insert:

“Section 3 is effective 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. 588, A bill for an act relating to crime; providing penalties for intentional damage to timber processing, manufacturing, or transportation equipment; providing penalties for possessing certain devices to damage timber processing, manufacturing, or transportation equipment; proposing coding for new law in Minnesota Statutes, chapter 609.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Garcia	Knickerbocker	Olson, E.	Smith
Anderson, I.	Girard	Koppendrayer	Olson, K.	Solberg
Anderson, R. H.	Goodno	Krinkie	Omann	Sparby
Battaglia	Greenfield	Krueger	Onnen	Stanius
Bauerly	Gruenes	Lasley	Orenstein	Steensma
Beard	Gutknecht	Leppik	Orfield	Sviggum
Begich	Hanson	Lieder	Osthoff	Swenson
Bertram	Hartle	Limmer	Ostrom	Thompson
Bettermann	Hasskamp	Long	Ozment	Tompkins
Blatz	Haukoos	Lourey	Pellow	Trimble
Bodahl	Hausman	Lynch	Pelowski	Tunheim
Boo	Heir	Macklin	Peterson	Uphus
Brown	Henry	Mariani	Pugh	Valento
Carlson	Hufnagle	Marsh	Reding	Vellenga
Carruthers	Hugoson	McEachern	Rest	Wagenius
Clark	Jacobs	McGuire	Rice	Waltman
Cooper	Janezich	McPherson	Rodosovich	Weaver
Dauner	Jaros	Milbert	Rukavina	Wejzman
Davids	Jefferson	Morrison	Runbeck	Welker
Dawkins	Jennings	Munger	Sarna	Welle
Dempsey	Johnson, A.	Murphy	Schafer	Wenzel
Dille	Johnson, R.	Nelson, K.	Scheid	Winter
Dorn	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Erhardt	Kahn	Newinski	Seaberg	
Farrell	Kalis	O'Connor	Segal	
Frederick	Kelso	Ogren	Simoneau	
Frierichs	Kinkel	Olsen, S.	Skoglund	

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

S. F. No. 1295 was reported to the House.

Orenstein moved to amend S. F. No. 1295, as follows:

Delete everything after the enacting clause and insert:

“Section 1. [RAMSEY COUNTY LOCAL GOVERNMENT SERVICES STUDY.]

A Ramsey county local government services study commission is established to study cooperation between local governments and the possible sharing and consolidation of services, structures, and functions. The commission shall explore cooperative ventures which would be mutually beneficial to the communities involved, review and recommend ways to eliminate overlap and duplication, design programs that would improve services and reduce costs, and develop a systematic process for cooperating, restructuring, sharing, or consolidating. The commission shall report on the advantages and disadvantages of sharing, cooperating, restructuring, or consolidating, with attention to:

- (a) citizen participation in government;
- (b) efficiency and effectiveness of the provision of public service;
- (c) taxation and other public finance matters;
- (d) public employees;
- (e) structure of government;
- (f) possible public economies;
- (g) the historic identity of the community;
- (h) economic development;
- (i) social development;
- (j) environment; and
- (k) other significant factors.

The commission shall report and make recommendations to the local government units in Ramsey county before December 15, 1991. The elected councils and boards of the local government units affected by any recommendation shall indicate, by resolution, their response to the commission's recommendations before January 15, 1992. The commission's recommendations and the local government

units' responses shall be presented to the members of the Ramsey county legislative delegation and to the legislature before February 1, 1992. The commission may not adopt any recommendation without a 60 percent affirmative vote of the commission members voting on the issue.

The commission may examine consolidation, cooperation, restructuring, or sharing of any services, groups of services, or local government structures as the commission determines except that specific examination and recommendation shall be made in regard to:

- (1) the city and county health departments;
- (2) city and county attorney's functions as they relate to criminal law;
- (3) city and county libraries;
- (4) public works; and
- (5) police and sheriff communications, crime lab and investigative functions.

The commission shall be 25 residents of, or persons whose principal place of business is located in, Ramsey county selected as follows:

- (1) two members of the county board who reside in the city of St. Paul, selected by the county board;
- (2) two members of the county board who reside in the county but not in the city of St. Paul, selected by the county board;
- (3) three members selected by the St. Paul city council from among the mayor and city council members;
- (4) three members selected jointly by the city councils and town boards of the cities and towns in the county, other than St. Paul, from among their mayors and members;
- (5) one member of the school board of independent school district No. 625, selected by the board;
- (6) one member of the school boards of other school districts operating in Ramsey county selected jointly by the board members of the several districts;
- (7) six members of the public who are not public employees and do not hold public office, selected by the members of the legislature who

represent the city of St. Paul and the members serving under clauses (1), (3), and (5);

(8) six members of the public who are not public employees and do not hold public office, selected by the members of the legislature who represent Ramsey county outside the city of St. Paul and the members serving under clauses (2), (4), and (6); and

(9) a chair selected by the other members of the commission who is not an elected official or public employee and who is not one of the above members of the commission.

The commission shall be assisted by a staff committee whose members shall consist of the city managers and chief of staff from the communities within Ramsey county, the Ramsey county executive director, and professional staff of these governmental units. This committee shall provide technical assistance to the commission. The committee may request the assistance of any other public or private agency or entity.

Members of the commission and the committee shall serve without compensation other than expenses that would be reimbursed to them by the units of government which they represent. The commission may accept gifts, grants, or donations from public and private entities to assist with the costs of its work. A gift, grant, or donation is not subject to Minnesota Statutes, chapter 10A, or other law or rule regulating lobbying expenses.

Sec. 2. [EFFECTIVE DATE.]

This act takes effect the day after final enactment."

The motion prevailed and the amendment was adopted.

McGuire, Runbeck, Krinkie and Valento moved to amend S. F. No. 1295, as amended, as follows:

Page 2, line 10, after "recommendation" insert ", and the Ramsey county league of local governments and the Ramsey county charter commission,"

Page 2, line 13, delete "the local government units" and insert "any"

Page 4, after line 2, insert:

"Sec. 2. [COOPERATION.]

The commission must solicit the input and recommendations of the Ramsey county league of local governments and the Ramsey county charter commission. By September 1, 1991, the commission must receive any recommendations from the league or charter commission. In its final report, the commission must state its conclusions with respect to the recommendations of the league and the charter commission."

Renumber the sections in sequence

The motion prevailed and the amendment was adopted.

S. F. No. 1295, A bill for an act relating to Ramsey county; creating a Ramsey county local services study commission; setting its duties.

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 16 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Garcia	Kelso	Ogren	Segal
Battaglia	Girard	Kinkel	Olsen, S.	Simoneau
Bauerly	Goodno	Knickerbocker	Olsen, E.	Skoglund
Beard	Greenfield	Koppendrayner	Olson, K.	Smith
Begich	Gruenes	Krueger	Omman	Solberg
Bertram	Hanson	Lasley	Onnen	Sparby
Bettermann	Hartle	Leppik	Orenstein	Steensma
Blatz	Hasskamp	Lieder	Orfield	Sviggum
Bodahl	Hausman	Long	Osthoff	Thompson
Boo	Heir	Lourey	Ostrom	Tunheim
Brown	Henry	Lynch	Pelowski	Uphus
Carlson	Hufnagle	Mariani	Peterson	Valento
Carruthers	Hugoson	Marsh	Pugh	Vellenga
Clark	Jacobs	McEachern	Reding	Wagenius
Cooper	Janezich	McGuire	Rest	Waltman
Dauner	Jaros	McPherson	Rice	Weaver
Dawkins	Jefferson	Milbert	Rodosovich	Wejzman
Dempsey	Jennings	Morrison	Rukavina	Welle
Dille	Johnson, A.	Munger	Runbeck	Wenzel
Dorn	Johnson, R.	Murphy	Sarna	Winter
Erhardt	Johnson, V.	Nelson, K.	Schafer	Spk. Vanasek
Farrell	Kahn	Newinski	Scheid	
Frederick	Kalis	O'Connor	Seaberg	

Those who voted in the negative were:

Abrams	Gutknecht	Nelson, S.	Stanius
Anderson, R. H.	Haukoos	Ozment	Swenson
Davids	Krinking	Pellow	Tompkins
Ferichs	Macklin	Schreiber	Welker

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

S. F. No. 765 which was temporarily laid over earlier today was again reported to the House.

Lasley moved to amend S. F. No. 765, as follows:

Pages 7 and 8, delete section 6, and insert:

“Sec. 6. Minnesota Statutes 1990, section 169.346, subdivision 2, is amended to read:

Subd. 2. [SIGNS; PARKING SPACES TO BE FREE OF OBSTRUCTIONS.] (a) Parking spaces reserved for physically disabled persons must be designated and identified by the posting of signs incorporating the international symbol of access in white on blue and indicating that the violators are subject to a fine of up to \$200. These parking space is spaces are reserved for disabled persons with vehicles displaying the required certificate, license plates, or insignia, and indicating that violators are subject to a fine of up to \$200. Signs sold after August 1, 1991, must conform to the requirements in this paragraph. For purposes of this subdivision, until August 1, 1998, a parking space that is clearly identified as reserved for physically disabled persons by a permanently posted sign that was erected before August 1, 1991, and that does not meet all design standards, is considered designated and reserved for physically disabled persons. 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.”

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 765, A bill for an act relating to transportation; clarifying

parking provisions for physically disabled persons; authorizing special license plates for motorcycles; authorizing tinted windshields for medical reasons; abolishing requirement to impound vehicle registration certificates; making technical changes; amending Minnesota Statutes 1990, sections 168.021, subdivision 1; 168.041; 169.123, subdivision 5b; 169.345, subdivision 1; 169.346, subdivisions 1 and 2; 169.71, subdivision 4; 169.795; and 171.29, 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	Garcia	Knickerbocker	Olson, E.	Smith
Anderson, I.	Girard	Koppendraye	Olson, K.	Solberg
Anderson, R. H.	Goodno	Krunkie	Omann	Sparby
Battaglia	Greenfield	Krueger	Onnen	Stanius
Bauerly	Gruenes	Lasley	Orenstein	Steensma
Beard	Gutknecht	Leppik	Orfield	Sviggum
Begich	Hanson	Lieder	Osthoff	Swenson
Bertram	Hartle	Limmer	Ostrom	Thompson
Bettermann	Hasskamp	Long	Ozment	Tompkins
Bishop	Haukoos	Lourey	Pellow	Trimble
Blatz	Hausman	Lynch	Pelowski	Tunheim
Bodahl	Heir	Macklin	Peterson	Uphus
Boo	Henry	Mariani	Pugh	Valento
Brown	Hufnagle	Marsh	Reding	Vellenga
Carlson	Hugoson	McEachern	Rest	Wagenius
Carruthers	Jacobs	McGuire	Rice	Waltman
Clark	Janezich	McPherson	Rodosovich	Weaver
Cooper	Jaros	Milbert	Rukavina	Wejzman
Dauner	Jefferson	Morrison	Runbeck	Welker
Davids	Jennings	Munger	Sarna	Welle
Dawkins	Johnson, A.	Murphy	Schafer	Wenzel
Dempsey	Johnson, R.	Nelson, K.	Scheid	Winter
Dille	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Dorn	Kahn	Newinski	Seaberg	
Farrell	Kalis	O'Connor	Segal	
Frederick	Kelso	Ogren	Simoneau	
Frerichs	Kinkel	Olsen, S.	Skoglund	

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

The Speaker resumed the Chair.

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. 416, A bill for an act relating to crimes; child abduction; requiring certain convicted sex and kidnapping offenders to report a current address to probation officer following release from prison; requiring the publication of missing children bulletins; requiring training concerning the investigation of missing children cases; providing law enforcement officers access to medical and dental records of missing children; extending DNA analysis requirements to persons sentenced as patterned sex offenders; appropriating money; amending Minnesota Statutes 1990, sections 13.82, by adding subdivisions; 299C.52, subdivisions 1, 3, and 6; and 609.3461; proposing coding for new law in Minnesota Statutes, chapters 243 and 299C.

Reported the same back with the following amendments:

Page 7, delete section 11

Renumber the remaining section

Amend the title as follows:

Page 1, line 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. 593, A bill for an act relating to crimes; driving while intoxicated; authorizing counties to create pilot programs to provide intensive probation for repeat violators of the driving while intoxicated laws; increasing the chemical dependency assessment charge for repeat violators of the driving while intoxicated laws; appropriating money; amending Minnesota Statutes 1990, section 169.121, subdivision 5a.

Reported the same back with the following amendments:

Page 3, line 18, delete “\$.....” and insert “\$50,000”

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. 812, A bill for an act relating to state administration; regulating conditions of certain contracts, purchases, sales, and appropriations; clarifying insurance alternatives; setting conditions for certain land sales; appropriating money; amending Minnesota Statutes 1990, sections 16B.19, subdivision 5; 16B.48, subdivision 2; 16B.51, subdivision 3; 16B.85, subdivision 1; 94.10, subdivision 1; and 116J.63, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 16B.

Reported the same back with the following amendments:

Page 1, line 22, delete “is appropriated to the” and insert “shall be deposited in a dedicated account in the general fund for the purpose of providing energy conservation projects as proposed to the commissioner.”

Page 1, delete lines 23 and 24

Page 3, line 32, delete “who, if possible, is a resident” and insert “selected by the commissioner”

Page 3, line 33, strike everything before the period

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. 1320, A bill for an act relating to gaming; providing for a committee to negotiate tribal-state compacts regulating certain gaming on Indian lands, and to make recommendations to the governor; repealing expired provisions of law relating to negotiating tribal-state compacts; amending Minnesota Statutes 1990, section 3.9221, subdivision 2; repealing Minnesota Statutes 1990, section 3.9221, subdivision 3.

Reported the same back with the following amendments:

Page 1, line 13, reinstate the stricken language

Page 1, line 14, reinstate "the governor's designated representatives shall" and delete "may"

Page 1, line 24, after "governor" insert ", or designee of the governor,"

Page 2, line 10, reinstate the stricken language and delete "committee"

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. 1502, A bill for an act relating to the secretary of state; requiring that certain information be provided without a fee; amending Minnesota Statutes 1990, section 336.9-411.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 336.9-411, is amended to read:

336.9-411 [COMPUTERIZED FILING SYSTEM.]

(a) The secretary of state shall develop and implement a statewide computerized filing system to accumulate and disseminate information relative to lien statements, financing statements, state and federal tax lien notices, and other uniform commercial code documents. The computerized filing system must allow information to be entered and retrieved from the computerized filing system by county recorders.

(b) County recorders shall enter information relative to lien statements, financing statements, state and federal tax lien notices, and other uniform commercial code documents filed in their offices into a central data base maintained by the secretary of state. The information must be entered under the rules of the secretary of state.

(c) The secretary of state may allow private parties to have electronic-view-only access to the computerized filing system and to other computerized records maintained by the secretary of state on a fee basis, except that visual access to electronic display terminals at the public counters at the secretary of state's office will be without charge and available during public counter hours. If the computerized filing system allows a form of electronic access to information regarding the obligations of debtors, the access must be available 24 hours a day, every day of the year.

(d) The secretary of state shall adopt rules to implement the computerized filing system. The secretary of state may adopt permanent and emergency rules. The rules must:

(1) allow filings to be made at the offices of all county recorders and the secretary of state's office as required by section 336.9-401;

(2) establish a central data base for all information relating to liens and security interests that are filed at the offices of county recorders and the secretary of state;

(3) provide procedures for entering data into a central data base;

(4) allow the offices of all county recorders and the secretary of state's office to add, modify, and delete information in the central data base as required by the uniform commercial code;

(5) allow the offices of all county recorders and the secretary of state's office to have access to the central data base for review and search capabilities;

(6) allow the offices of all county recorders to have electronic-view-

only access to the computerized business information records on file with the secretary of state;

(7) require the secretary of state to maintain the central data base;

(8) provide security and protection of all information in the central data base and monitor the central data base to ensure that unauthorized entry is not allowed;

(9) require standardized information for entry into the central data base;

(10) prescribe an identification procedure for debtors and secured parties that will enhance lien and financing statement searches; and

(11) prescribe a procedure for phasing-in or converting from the existing filing system to a computerized filing system."

Delete the title and insert:

"A bill for an act relating to the secretary of state; requiring that certain information be provided without a fee; amending Minnesota Statutes 1990, section 336.9-411."

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. 1697, A bill for an act relating to public administration; providing for an expenditure budget for taxes every two years; providing access to certain records classified under tax statutes; providing for display of a portrait of a governor in the capitol building; amending Minnesota Statutes 1990, sections 138.17, subdivision 1a; and 270.67, subdivisions 1 and 2.

Reported the same back with the following amendments:

Page 2, after line 32, insert:

"Sec. 5. [VALIDATION OF INDEPENDENT SCHOOL DISTRICT NO. 625 BONDS.]

Subdivision 1. [VALUATION.] The sale of general obligation school bonds under the authority of Laws 1990, chapter 604, article

8, section 10, by independent school district No. 625 pursuant to resolution adopted by two-thirds majority vote of all the members of its board of directors on April 16, 1991, is validated.

Subd. 2. [EFFECTIVE DATE.] This section is effective the day after the governing body of independent school district No. 625 complies with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 6. [STILLWATER; PROMISSORY NOTES; REASSESSMENT; AGREEMENT.]

Subdivision 1. [NOTES.] The city of Stillwater may issue and sell general obligation promissory notes to finance the payment of ad valorem taxes due and payable in 1991 and prior years, and all interest and penalties due with respect to them, on all or part of the following described real estate: Outlots M, N, O, P, V and X, OAK GLEN; Lots 1-8 inclusive, Lots 13-16 inclusive, Lots 21, 28, 29, 32 and 33, Lots 35-39 inclusive, and Lots 42, 43, 45 and 46, Block 1, OAK GLEN; Lots 7 and 12, Block 4, OAK GLEN; Lots 8 and 11, Block 5, OAK GLEN; Lots 1, 24, 26, 27, 29, 31, 34 and 36, Block 1, OAK GLEN 6TH ADDITION; and Lot 3, Block 4, and Lots 1 and 2, Block 5, OAK GLEN TOWNHOUSE PLAT NO. 1; Washington County, Minnesota. The notes shall be issued, sold, and secured as provided by Minnesota Statutes, chapter 475, except that they may be authorized by resolution adopted by a four-fifths vote of the city council without an election, and they may be sold at public or private sale. The portion of the special assessments levied pursuant to subdivision 2 representing taxes, interest, and penalties may be pledged to the payment of the notes.

Subd. 2. [REASSESSMENT.] The city may also undertake to reassess the cost of its local improvement No. 184 with respect to all lots for which, on the date of reassessment, special assessments previously levied for local improvement No. 184 have not been paid in full; and, at the same time, to specially assess on the lots all delinquent taxes, interest, and penalties paid by the city with respect to them. Specifically, the amount to be reassessed or assessed on each lot or parcel may include: (a) the principal amount of all such special assessments then unpaid; (b) all interest accrued on the principal amount; and (c) all ad valorem taxes, interest, and penalties paid by the city pursuant to subdivisions 1 and 3 with respect to the lot or parcel. Except as provided in this section, the special assessments shall be levied and administered and otherwise subject to Minnesota Statutes, chapter 429. Upon certification of the assessment roll to the county auditor pursuant to Minnesota Statutes, section 429.061, together with a duplicate original of the agreement entered into with respect to them pursuant to subdivision 3, and payment of all ad valorem taxes due and payable in 1991 and prior years and all interest and penalties due with respect to them with respect to any lot or parcel described in the assessment roll, all special assessments, ad valorem taxes, interest, and penal-

ties due or past due on the lot or parcel shall be deemed no longer delinquent, all tax sales previously held with respect to the lot or parcel shall be deemed null and void and no longer of any effect, and all public records relating to it shall be changed accordingly. All taxes, interest, and penalties so paid shall be distributed immediately to the local government units entitled to them by law. Special assessments levied pursuant to this section shall constitute a first and prior lien on the lots or parcels on which they are levied.

Subd. 3. [AGREEMENT AMONG CITY, OWNER, MORTGAGEES.] The city shall, before issuing any promissory notes or conducting any reassessment or assessment pursuant to subdivisions 1 and 2, enter into an agreement with the owner and all persons owning mortgages on the property with respect to which the reassessment or assessment is to be made, as determined by county records. The agreement shall:

(a) authorize the reassessment and assessment by the city and the terms of it;

(b) provide that the amount reassessed or assessed shall constitute a first and prior lien on the property in question to the extent and with the same effect as other assessments levied pursuant to Minnesota Statutes, chapter 429;

(c) waive all rights of the property owner and mortgagees to published or mailed notice of the proposed reassessment or assessment and any hearing on it;

(d) waive all rights of the property owner and mortgagees to contest or appeal from the reassessment or assessment on procedural grounds or lack of or inadequate special benefit; and

(e) cover other matters as the city deems appropriate.

Subd. 4. [APPLICATION; EFFECTIVE DATE.] This section applies to the city of Stillwater and is effective the day following final enactment."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "relating to public administration;" and insert "relating to state and local government; permitting the city of Stillwater in Washington county to reassess certain property and incur debt; validating certain bonds for independent school district No. 625;"

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. 1698, A bill for an act relating to taxation; income; providing a working family credit; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 290.

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. 1112, A bill for an act relating to energy; providing incentives for renewable energy sources of utility power; amending Minnesota Statutes 1990, sections 216B.164, subdivision 4; and 272.02, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 216B.164, subdivision 4, is amended to read:

Subd. 4. [PURCHASES; WHEELING.] (a) Except as otherwise provided in paragraph (c), this subdivision shall apply to all qualifying facilities having 40 kilowatt capacity or more as well as qualifying facilities as defined in subdivision 3 which elect to be governed by its provisions.

(b) The utility to which the qualifying facility is interconnected shall purchase all energy and capacity made available by the qualifying facility. The qualifying facility shall be paid the utility's full avoided capacity and energy costs as negotiated by the parties or set by the commission including the value of environmental costs avoided by the qualifying facility considered appropriate by the commission. To the extent possible, the commission shall quantify and value all environmental costs associated with each method of electricity generation.

(c) For all qualifying facilities having 30 kilowatt capacity or more, the utility shall, at the qualifying facility's or the utility's

request, provide wheeling or exchange agreements wherever practicable to sell the qualifying facility's output to any other Minnesota utility having generation expansion anticipated or planned for the ensuing ten years. The commission shall establish the methods and procedures to insure that except for reasonable wheeling charges and line losses, the qualifying facility receives the full avoided energy and capacity costs of the utility ultimately receiving the output.

(d) The commission shall set rates for electricity generated by renewable energy.

Sec. 2. Minnesota Statutes 1990, section 272.02, subdivision 1, is amended to read:

Subdivision 1. All property described in this section to the extent herein limited shall be exempt from taxation:

- (1) all public burying grounds;
- (2) all public schoolhouses;
- (3) all public hospitals;
- (4) all academies, colleges, and universities, and all seminaries of learning;
- (5) all churches, church property, and houses of worship;
- (6) institutions of purely public charity except parcels of property containing structures and the structures described in section 273.13, subdivision 25, paragraph (c), clauses (1), (2), and (3), or paragraph (d);
- (7) all public property exclusively used for any public purpose;
- (8) except for the taxable personal property enumerated below, all personal property and the property described in section 272.03, subdivision 1, paragraphs (c) and (d), shall be exempt.

The following personal property shall be taxable:

- (a) personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, crude oil, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures;
- (b) railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80;

(c) personal property defined in section 272.03, subdivision 2, clause (3);

(d) leasehold or other personal property interests which are taxed pursuant to section 272.01, subdivision 2; 273.124, subdivision 7; or 273.19, subdivision 1; or any other law providing the property is taxable as if the lessee or user were the fee owner;

(e) manufactured homes and sectional structures; and

(f) flight property as defined in section 270.071.

(9) Personal property used primarily for the abatement and control of air, water, or land pollution to the extent that it is so used, and real property which is used primarily for abatement and control of air, water, or land pollution as part of an agricultural operation or as part of an electric generation system. For purposes of this clause, personal property includes ponderous machinery and equipment used in a business or production activity that at common law is considered real property.

Any taxpayer requesting exemption of all or a portion of any equipment or device, or part thereof, operated primarily for the control or abatement of air or water pollution shall file an application with the commissioner of revenue. The equipment or device shall meet standards, rules, or criteria prescribed by the Minnesota pollution control agency, and must be installed or operated in accordance with a permit or order issued by that agency. The Minnesota pollution control agency shall upon request of the commissioner furnish information or advice to the commissioner. On determining that property qualifies for exemption, the commissioner shall issue an order exempting the property from taxation. The equipment or device shall continue to be exempt from taxation as long as the permit issued by the Minnesota pollution control agency remains in effect.

(10) Wetlands. For purposes of this subdivision, "wetlands" means (1) land described in section 103G.005, subdivision 18, or (2) land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes, provided it is preserved in its natural condition and drainage of it would be legal, feasible, and economically practical for the production of livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice. "Wetlands" shall include adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands. "Wetlands" shall not include woody swamps containing shrubs or trees, wet meadows, meandered water, streams, rivers, and floodplains or river bottoms. Exemption of wetlands from taxation pursuant to this section shall not grant the public any additional or greater right of access to the wetlands or diminish any right of ownership to the wetlands.

(11) Native prairie. The commissioner of the department of natural resources shall determine lands in the state which are native prairie and shall notify the county assessor of each county in which the lands are located. Pasture land used for livestock grazing purposes shall not be considered native prairie for the purposes of this clause. Upon receipt of an application for the exemption provided in this clause for lands for which the assessor has no determination from the commissioner of natural resources, the assessor shall refer the application to the commissioner of natural resources who shall determine within 30 days whether the land is native prairie and notify the county assessor of the decision. Exemption of native prairie pursuant to this clause shall not grant the public any additional or greater right of access to the native prairie or diminish any right of ownership to it.

(12) Property used in a continuous program to provide emergency shelter for victims of domestic abuse, provided the organization that owns and sponsors the shelter is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1986, notwithstanding the fact that the sponsoring organization receives funding under section 8 of the United States Housing Act of 1937, as amended.

(13) If approved by the governing body of the municipality in which the property is located, property not exceeding one acre which is owned and operated by any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders; provided the property is used primarily as a clubhouse, meeting facility, or recreational facility by the group or association and the property is not used for residential purposes on either a temporary or permanent basis.

(14) To the extent provided by section 295.44, real and personal property used or to be used primarily for the production of hydroelectric or hydromechanical power on a site owned by the state or a local governmental unit which is developed and operated pursuant to the provisions of section 103G.535.

(15) If approved by the governing body of the municipality in which the property is located, and if construction is commenced after June 30, 1983:

(a) a "direct satellite broadcasting facility" operated by a corporation licensed by the federal communications commission to provide direct satellite broadcasting services using direct broadcast satellites operating in the 12-gHz. band; and

(b) a "fixed satellite regional or national program service facility"

operated by a corporation licensed by the federal communications commission to provide fixed satellite-transmitted regularly scheduled broadcasting services using satellites operating in the 6-ghz. band.

An exemption provided by clause (15) shall apply for a period not to exceed five years. When the facility no longer qualifies for exemption, it shall be placed on the assessment rolls as provided in subdivision 4. Before approving a tax exemption pursuant to this paragraph, the governing body of the municipality shall provide an opportunity to the members of the county board of commissioners of the county in which the facility is proposed to be located and the members of the school board of the school district in which the facility is proposed to be located to meet with the governing body. The governing body shall present to the members of those boards its estimate of the fiscal impact of the proposed property tax exemption. The tax exemption shall not be approved by the governing body until the county board of commissioners has presented its written comment on the proposal to the governing body or 30 days has passed from the date of the transmittal by the governing body to the board of the information on the fiscal impact, whichever occurs first.

(16) Real and personal property owned and operated by a private, nonprofit corporation exempt from federal income taxation pursuant to United States Code, title 26, section 501(c)(3), primarily used in the generation and distribution of hot water for heating buildings and structures.

(17) Notwithstanding section 273.19, state lands that are leased from the department of natural resources under section 92.46.

(18) Electric power distribution lines and their attachments and appurtenances, that are used primarily for supplying electricity to farmers at retail.

(19) Transitional housing facilities. "Transitional housing facility" means a facility that meets the following requirements. (i) It provides temporary housing to parents and children who are receiving AFDC or parents of children who are temporarily in foster care. (ii) It has the purpose of reuniting families and enabling parents to obtain self-sufficiency, advance their education, get job training, or become employed in jobs that provide a living wage. (iii) It provides support services such as child care, work readiness training, and career development counseling; and a self-sufficiency program with periodic monitoring of each resident's progress in completing the program's goals. (iv) It provides services to a resident of the facility for at least six months but no longer than three years, except residents enrolled in an educational or vocational institution or job training program. These residents may receive services during the time they are enrolled but in no event longer than four years. (v) It is sponsored by an organization that has received a grant under

either section 256.7365 for the biennium ending June 30, 1989, or section 462A.07, subdivision 15, for the biennium ending June 30, 1991, for the purposes of providing the services in items (i) to (iv). (vi) It is sponsored by an organization that is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1987. This exemption applies notwithstanding the fact that the sponsoring organization receives financing by a direct federal loan or federally insured loan or a loan made by the Minnesota housing finance agency under the provisions of either Title II of the National Housing Act or the Minnesota housing finance agency law of 1971 or rules promulgated by the agency pursuant to it, and notwithstanding the fact that the sponsoring organization receives funding under Section 8 of the United States Housing Act of 1937, as amended.

(20) Wind energy conversion systems, as defined in section 216C.06, subdivision 12, installed after January 1, 1991, and used as an electric power source.

Sec. 3. [EFFECTIVE DATE.]

Section 2 is effective for taxes payable in 1992 and afterward."

Delete the title and insert:

"A bill for an act relating to energy; providing incentives for renewable energy sources of utility power; amending Minnesota Statutes 1990, sections 216B.164, subdivision 4; and 272.02, subdivision 1."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 416, 593, 812, 1320, 1502, 1697 and 1698 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 1112 was read for the second time.

MOTIONS AND RESOLUTIONS

Lasley moved that the name of Swenson be added as an author on H. F. No. 655. The motion prevailed.

Krinkie moved that his name be stricken as an author on H. F. No. 909. The motion prevailed.

Ozment moved that H. F. No. 1532 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. 551:

Hanson, Macklin, Seaberg, Solberg and Vellenga.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1197:

Bauerly, Farrell and Gruenes.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 12:00 noon, Thursday, May 16, 1991. 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, May 16, 1991.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SEVENTH SESSION—1991

FIFTY-FIFTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, MAY 16, 1991

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 the Reverend Anita Cummings, First Presbyterian Church, Stillwater, Minnesota.

The roll was called and the following members were present:

Abrams	Frederick	Kelso	Olsen, S.	Smith
Anderson, I.	Frerichs	Kinkel	Olson, E.	Solberg
Anderson, R.	Garcia	Knickerbocker	Olson, K.	Sparby
Anderson, R. H.	Girard	Koppendrayner	Omann	Stanius
Battaglia	Goodno	Krinkie	Onnen	Steenasma
Bauerly	Greenfield	Krueger	Orenstein	Svigum
Beard	Gruenes	Lasley	Orfield	Swenson
Begich	Gutknecht	Leppik	Osthoff	Thompson
Bertram	Hanson	Lieder	Ostrom	Tompkins
Bettermann	Hartle	Limmer	Ozment	Trimble
Bishop	Hasskamp	Long	Pauly	Tunheim
Blatz	Haukoos	Lourey	Pellow	Uphus
Bodahl	Hausman	Lynch	Pelowski	Valento
Boo	Heir	Macklin	Peterson	Vellenga
Brown	Henry	Mariani	Pugh	Wagenius
Carlson	Hufnagle	Marsh	Reding	Waltman
Carruthers	Hugoson	McEachern	Rice	Weaver
Clark	Jacobs	McGuire	Rodosovich	Wejcman
Cooper	Janezich	McPherson	Rukavina	Welker
Dauner	Jaros	Milbert	Runbeck	Welle
Davids	Jefferson	Morrison	Sarna	Wenzel
Dawkins	Jennings	Munger	Schafer	Winter
Dempsey	Johnson, A.	Murphy	Scheid	Spk. Vanasek
Dille	Johnson, R.	Nelson, K.	Schreiber	
Dorn	Johnson, V.	Nelson, S.	Seaberg	
Erhardt	Kahn	Newinski	Segal	
Farrell	Kalis	O'Connor	Skoglund	

A quorum was present.

Ogren was excused.

Rest was excused until 2:20 p.m. Simoneau was excused until 3:20 p.m.

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

Anderson, R., was excused while in conference.

REPORTS OF CHIEF CLERK

S. F. No. 100 and H. F. No. 159, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Steensma moved that the rules be so far suspended that S. F. No. 100 be substituted for H. F. No. 159 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 109 and H. F. No. 78, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Solberg moved that S. F. No. 109 be substituted for H. F. No. 78 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 820 and H. F. No. 883, 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. 820 be substituted for H. F. No. 883 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1238 and H. F. No. 1377, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Garcia moved that the rules be so far suspended that S. F. No. 1238

be substituted for H. F. No. 1377 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Rodosovich from the Committee on Redistricting to which was referred:

H. F. No. 1699, A bill for an act relating to the legislature; changing the boundaries of legislative districts; amending Minnesota Statutes 1990, section 2.031, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 2; repealing Minnesota Statutes 1990, sections 2.019; and 2.042 to 2.702.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 2.031, subdivision 2, is amended to read:

Subd. 2. [DEFINITION.] The terms "county," "town," "township," "city," "ward," "precinct," "census tract," "block," and "unorganized territory" when used in a description of a legislative district in subdivision 1 means this act mean a geographical area established as such by law and as it existed for purposes of the 1980 1990 federal census.

Sec. 2. [2.043] [FIRST DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 1 consists of all of Kittson, Lake of the Woods, Marshall, Pennington, Red Lake, and Roseau Counties, and that portion of Polk County consisting of Angus Township, Belgium Township, Brandt Township, Brislet Township, the city of East Grand Forks, Esther Township, Euclid Township, Farley Township, Grand Forks Township, Helgeland Township, Higdem Township, Huntsville Township, Keystone Township, Northland Township, Rhinehart Township, Sandsville Township, Sullivan Township, and Tabor Township.

Subd. 2. [HOUSE DISTRICTS.] Senate district 1 is divided into two house districts as follows:

(a) House district 1A consists of that portion of senate district 1 not included in house district 1B.

(b) House district 1B consists of all of Pennington and Red Lake Counties, that portion of Polk County contained in senate district 1,

and that portion of Marshall County consisting of the city of Alvarado, Boxville Township, Comstock Township, McCrea Township, Oak Park Township, the city of Oslo, Vega Township, the city of Viking, Viking Township, the city of Warren, and Warrenton Township.

Sec. 3. [2.053] [SECOND DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 2 consists of all of Clearwater, Mahnomen, and Norman Counties, that portion of Becker County not included in senate district 9 or 11, that portion of Beltrami County consisting of Alaska Township, Battle Township, Benville Township, the city of Blackduck, Buzzle Township, Coramant Township, Durand Township, the city of Funkley, Hagali Township, Hamre Township, Hines Township, Hornet Township, the city of Kelliher, Kelliher Township, Langor Township, Lee Township, Liberty Township, the unorganized territory of Lower Red Lake, Maple Ridge Township, Minnie Township, Nebish Township, the unorganized territory of North Beltrami, O'Brien Township, Quiring Township, Roosevelt Township, Shooks Township, Shotley Township, the unorganized territory of Shotley Brook, Spruce Grove Township, Steenerson Township, Summit Township, the unorganized territory of Upper Red Lake, Waskish Township, and Woodrow Township, that portion of Clay County consisting of the city of Felton, Felton Township, Flowing Township, the city of Georgetown, Georgetown township, Goose Prairie Township, Hagen Township, Keene Township, Kragnes Township, Morken Township, the city of Ulen, Ulen Township, and Viding Township, and that portion of Polk County not included in senate district 1.

Subd. 2. [HOUSE DISTRICTS.] Senate district 2 is divided into two house districts as follows:

(a) House district 2A consists of all of Norman County, that portion of Becker County consisting of Atlanta Township, Cuba Township, Hamden Township, Riceville Township, Spring Creek Township, and Walworth Township, that portion of Clay County in senate district 2, that portion of Mahnomen County consisting of the city of Bejou, Bejou Township, Chief Township, Gregory Township, the city of Mahnomen, Marsh Creek Township, Pembina Township, Popple Grove Township, Rosedale Township, and the city of Waubun, and that portion of Polk County consisting of Andover Township, Badger Township, the city of Beltrami, Byglund Township, the city of Climax, the city of Crookston, Crookston Township, the city of Erskine, Fairfax Township, Fanny Township, the city of Fertile, the city of Fisher, Fisher Township, Garden Township, Garfield Township, Gentilly Township, Godfrey Township, Grove Park Township, Hammond Township, Hubbard Township, Kertsonville Township, King Township, Knute Township, Liberty Township, Lowell Township, the city of McIntosh, the city of Mentor, Nesbit Township, the city of Nielsville, Onstad Township, Parnell Town-

ship, Reis Township, Roome Township, Russia Township, Scandia Township, Sletten Township, Tilden Township, Tynsid Township, Vineland Township, the city of Winger, Winger Township, and Woodside Township.

(b) House district 2B consists of that portion of senate district 2 not included in house district 2A.

Sec. 4. [2.063] [THIRD DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 3 consists of all of Itasca County except the unorganized territory of Bowstring Lake, that portion of Aitken County consisting of the city of Aitkin, Aitkin Township, Ball Bluff Township, Balsam Township, Cornish Township, Fleming Township, the city of Hill City, Hill Lake Township, Jevne Township, Libby Township, Logan Township, Macville Township, Morrison Township, the unorganized territory of Northeast Aitkin, the unorganized territory of Northwest Aitkin, the city of Palisade, Spencer Township, Turner Township, Verdon Township, Waukenabo Township, and Workman Township, that portion of Koochiching County not included in senate district 6, and that portion of St. Louis County consisting of Alango Township, Fine Lakes Township, the city of Floodwood, Floodwood Township, French Township, Halden Township, Linden Grove Township, the unorganized territory of McCormack Lake, Morcom Township, Prairie Lake Township, unorganized precinct numbers 62-21 and 59-21, West Sand Lake Precinct, and Sturgeon Township.

Subd. 2. [HOUSE DISTRICTS.] Senate district 3 is divided into two house districts as follows:

(a) House district 3A consists of that portion of senate district 3 not included in house district 3B.

(b) House district 3B consists of that portion of Aitkin County included in senate district 3, that portion of Itasca County consisting of Blackberry Township, the city of Bovey, the city of Coleraine, Feeley Township, Goodland Township, Grand Rapids Township, Greenway Township, Harris Township, Iron Range Township, the city of Keewatin, the unorganized territory of Little Sand Lake, Lone Pine Township, Nashwauk Township, Sago Township, Splith-and Township, Trout Lake Township, the city of Warba, Wawina Township, and Wildwood Township, and that portion of St. Louis County consisting of Fine Lakes Township, the city of Floodwood, Floodwood Township, Halden Township, and Prairie Lake Township.

Sec. 5. [2.073] [FOURTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 4 consists of

all of Hubbard County, that portion of Beltrami County not included in senate district 2, that portion of Cass County not included in senate district 12, that portion of Itasca County not included in senate district 3, and that portion of Wadena County not included in senate district 11.

Subd. 2. [HOUSE DISTRICTS.] Senate district 4 is divided into two house districts as follows:

(a) House district 4A consists of that portion of Beltrami County in senate district 4, and that portion of Hubbard County consisting of the city of Akely, Akely Township, Arago Township, Clay Township, Clover Township, Farden Township, Fern Township, Guthrie Township, Hart Lake Township, Helga Township, Hendrickson Township, Lake Alice Township, Lake Enima Township, Lake George Township, Lake Hattie Township, Lakeport Township, the city of Laporte, Mantrap Township, Rockwood Township, Schoolcraft Township, Steamboat River Township, Thorpe Township, and White Oak Township.

(b) House district 4B consists of that portion of senate district 4 not included in house district 4A.

Sec. 6. [2.083] [FIFTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 5 consists of that portion of St. Louis County consisting of Alborn Township, Angora Township, Arrowhead Township, Balkan Township, the city of Biwabik, Biwabik Township, the city of Brookston, the city of Buhl, Cedar Valley Township, Cherry Township, the city of Chisholm, Clinton Township, Colvin Township, Cotton Township, Culver Township, Ellsburg Township, Elmer Township, Embarrass Township, the city of Eveleth, Fayal Township, the city of Franklin, the city of Gilbert, Great Scott Township, the unorganized territory of Hay Lake, the unorganized territory of Heikkila Lake, the city of Hibbing, the city of Iron Junction, the unorganized territory of Janette Lake, Kelsey Township, Kugler Township, Lavell Township, the city of Leonidas, McDavitt Township, the city of McKinley, the city of Meadowlands, Meadowlands Township, the city of Mountain Iron, Ness Township, New Independence Township, Northland Township, Payne Township, Pike Township, the unorganized territory of Potshot Lake, Sandy Township, Stoney Brook Township, Toivola Township, Van Buren Township, Vermilion Lake Township, the city of Virginia, White Township, and Wuori Township.

Subd. 2. [HOUSE DISTRICTS.] Senate district 5 is divided into two house districts as follows:

(a) House district 5A consists of that portion of senate district 5 not included in house district 5B.

(b) House district 5B consists of that portion of St. Louis County consisting of Alborn Township, Arrowhead Township, Balkan Township, the city of Brookston, the city of Buhl, Cedar Valley Township, Cherry Township, the city of Chisholm, Clinton Township, Cotton Township, Culver Township, Ellsburg Township, Elmer Township, Great Scott Township, the city of Hibbing, the city of Iron Junction, the unorganized territory of Janette Lake, Kelsey Township, Lavell Township, McDavitt Township, the city of Meadowslands, Meadowlands Township, Ness Township, New Independence Township, Northland Township, Payne Township, the unorganized territory of Potshot Lake, Stoney Brook Township, Toivola Township, and Van Buren Township.

Sec. 7. [2.093] [SIXTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 6 consists of all of Cook and Lake Counties, that portion of Koochiching County consisting of the unorganized territory of Nett Lake, and that portion of St. Louis County not included in senate district 3, 5, 7, or 8.

Subd. 2. [HOUSE DISTRICTS.] Senate district 6 is divided into two house districts as follows:

(a) House district 6A consists of that portion of senate district 6 not included in house district 6B.

(b) House district 6B consists of that portion of St. Louis County consisting of Alden Township, North Star Township, Normanna Township, Gnesen Township, Rice Lake Township, Lakewood Township, Duluth Township, Canosia Township, and Fredenburg Township, and that portion of the city of Duluth not included in senate district 7.

Sec. 8. [2.103] [SEVENTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 7 consists of that portion of St. Louis County consisting of that portion of the city of Duluth lying west and south of a line described as follows: commencing at the intersection of the northern boundary of the city of Duluth and Calvary Road, easterly along Calvary Road to Woodland Avenue, southerly along Woodland Avenue to Buffalo Street, easterly along Buffalo Street to Wallace Avenue, southerly along Wallace Avenue to 5th Street, westerly along 5th Street to 21st Avenue, southerly along 21st Avenue to 4th Street, westerly along 4th Street to 15th Avenue, southeasterly along 15th Avenue to 1st Street, westerly along 1st Street to 12th Avenue East, southeasterly along 12th Avenue East to London Road, northeasterly along London Road to 13th Avenue East, southerly along 13th Avenue East and its extension to Lake Superior.

Subd. 2. [HOUSE DISTRICTS.] Senate district 7 is divided into two house districts as follows:

(a) House district 7A consists of that portion of senate district 7 lying east of a line described as follows: commencing at the intersection of the northern boundary of the city of Duluth and Rice Lake Road, southerly and southeasterly along Rice Lake Road to Mesaba Avenue, southerly along Mesaba Avenue to 13th Street, easterly along 13th Street to 6th Avenue East, southerly along 6th Avenue East State Highway 194, southwesterly along State Highway 194 to Mesaba Avenue, southerly along Mesaba Avenue to Lake Avenue, northerly along Lake Avenue to 9th Street, southwesterly along 9th Street to 1st Avenue West, northwesterly along 1st Avenue West and its extension to the extension of Rudolph Avenue, westerly along Rudolph Avenue and its extension to Blackman Avenue, southerly along Blackman Avenue and Orange Avenue to 9th Street, southwesterly along 9th Street to Observation Road, northerly and westerly along Observation Road to Arlington Avenue, southerly along Arlington Avenue to U.S. Highway 53, southerly along U.S. Highway 53 to 14th Street, southwesterly along 14th Street to Miller Creek, southerly along Miller Creek to 6th Street, northeasterly along 6th Street to 22nd Avenue West, southeasterly along 22nd Avenue West to Superior Street, northeasterly along Superior Street to 21st Avenue West, southeasterly along 21st Avenue West and its extension to St. Louis Bay.

(b) House district 7B consists of that portion of senate district 7 not included in house district 7A.

Sec. 9. [2.113] [EIGHTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 8 consists of all of Carlton County, that portion of St. Louis County consisting of Brevator Township, the city of Hermantown, Industrial Township, Midway Township, the city of Proctor, and Solway Township, that portion of Aitkin county not included in senate district 3, and that portion of Pine County not included in senate district 18.

Subd. 2. [HOUSE DISTRICTS.] Senate district 8 is divided into two house districts as follows:

(a) House district 8A consists of that portion of St. Louis County included in senate district 8, and that portion of Carlton County consisting of the city of Carlton, the city of Cloquet, the city of Scanlon, the city of Thomson, Thomson Township, and Twin Lakes Township.

(b) House district 8B consists of that portion of senate district 8 not included in house district 8A.

Sec. 10. [2.123] [NINTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 9 consists of all of Wilkin County, that portion of Becker County consisting of the city of Audubon, Audubon Township, Cormorant Township, Lake Eunice Township, the city of Lake Park, and Lake Park Township, that portion of Clay County not included in senate district 2, and that portion of Otter Tail County consisting of Carlisle Township, Dunn Township, the city of Elizabeth, Elizabeth Township, the city of Erhard, Erhards Grove Township, Lida Township, Maplewood Township, Norwegian Grove Township, Orwell Township, Oscar Township, Pelican Township, the city of Pelican Rapids, the city of Rothsay, Scambler Township, Trondhjem Township, and Western Township.

Subd. 2. [HOUSE DISTRICTS.] Senate district 9 is divided into two house districts as follows:

(a) House district 9A consists of that portion of Clay county consisting of the city of Moorhead.

(b) House district 9B consists of that portion of senate district 9 not included in house district 9A.

Sec. 11. [2.133] [TENTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 10 consists of that portion of Douglas County not included in senate district 11 or 13, that portion of Otter Tail County not included in senate district 9 or 11, that portion of Pope County consisting of the city of Glenwood, Glenwood Township, Grove Lake Township, Leven Township, the city of Long Beach, Minnewaska Township, Reno Township, the city of Villard, the city of Westport, and Westport Township, and that portion of Stearns County consisting of Ashley Township, Getty Township, Raymond Township, the city of Sauk Centre, and Sauk Centre Township.

Subd. 2. [HOUSE DISTRICTS.] Senate district 10 is divided into two house districts as follows:

(a) House district 10A consists of that portion of Douglas County consisting of the city of Evansville, Evansville Township, Leaf Valley Township, Lund Township, the city of Millerville, Millerville Township, the city of Miltona, Miltona Township, and that portion of Otter Tail County included in senate district 10.

(b) House district 10B consists of that portion of senate district 10 not included in house district 10A.

Sec. 12. [2.143] [ELEVENTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 11 consists of all of Todd County, that portion of Becker County consisting of Burlington Township, Detroit Township, the city of Detroit Lakes, Erie Township, the city of Frazee, and Lake View Township, that portion of Douglas County consisting of Belle River Township, the city of Osakis, Osakis Township, and Spruce Hill Township, that portion of Otter Tail County consisting of Blowers Township, the city of Bluffton, Bluffton Township, Butler Township, Candor Township, Compton Township, Corliss Township, the city of Deer Creek, Deer Creek Township, the city of Dent, Dora Township, Eastern Township, Edna Township, Gorman Township, Hobart Township, Homestead Township, Newton Township, the city of New York Mills, Oak Valley Township, Otto Township, Paddock Township, the city of Perham, Perham Township, Pine Lake Township, the city of Vergas, the city of Wadena, and Woodside Township, that portion of Stearns County consisting of Melrose Township, Millwood Township, and the city of St. Rosa, and that portion of Wadena County consisting of the city of Aldrich, Aldrich Township, Bullard Township, Leaf River Township, Red Eye Township, Rockwood Township, the city of Sebeka, the city of Staples, Thomastown Township, the city of Verndale, the city of Wadena, Wadena Township, and Wing River Township.

Subd. 2. [HOUSE DISTRICTS.] Senate district 11 is divided into two house districts as follows:

(a) House district 11A consists of that portion of Becker county included in senate district 11, that portion of Otter Tail County included in senate district 11, excluding Eastern Township, Oak Valley Township, and Woodside Township, and that portion of Wadena County consisting of Leaf River Township, Red Eye Township, Rockwood Township, the city of Sebeka, and the city of Wadena.

(b) House district 11B consists of that portion of senate district 11 not included in house district 11A.

Sec. 13. [2.153] [TWELFTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 12 consists of all of Crow Wing County, that portion of Cass County consisting of the cities of Motley and Pillager, and that portion of Morrison County not included in senate district 14 or 17.

Subd. 2. [HOUSE DISTRICTS.] Senate district 12 is divided into two house districts as follows:

(a) House district 12A consists of that portion of Crow Wing County consisting of the city of Brainerd, the city of Breezy Point, Center Township, the city of Crosby, the city of Crosslake, the city of Cuyuna, Dean Lake Township, the city of Emily, Fairfield

Township, the city of Fifty Lakes, Gail Lake Township, Ideal Township, Irondale Township, the city of Ironton, the city of Jenkins, Jenkins Township, Lake Edwards Township, Little Pine Township, the city of Manhattan Beach, Mission Township, the city of Nisswa, Oak Lawn Township, Pelican Township, the city of Pequot Lakes, Perry Lake Township, Rabbit Lake Township, Ross Lake Township, Sibley Township, Timothy Township, the city of Trommald, the unorganized territory of West Crow Wing, and Wolford Township.

(b) House district 12B consists of that portion of senate district 12 not included in house district 12A.

Sec. 14. [2.163] [THIRTEENTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 13 consists of all of Big Stone, Grant, Lac qui Parle, Stevens, Swift, and Traverse Counties, that portion of Chippewa County not included in senate district 15, that portion of Douglas County consisting of Holmes City Township, the city of Kensington, Solem Township, and Urness Township, and that portion of Pope County not included in senate district 10 or 14.

Subd. 2. [HOUSE DISTRICTS.] Senate district 13 is divided into two house districts as follows:

(a) House district 13A consists of all of Grant, Stevens, and Traverse Counties, that portion of Big Stone County consisting of the city of Barry, Browns Valley Township, the city of Graceville, Graceville Township, Malta Township, Moonshine Township, and Toqua Township, that portion of Douglas County contained in senate district 13, that portion of Lac Qui Parle County consisting of, that portion of Pope County contained in senate district 13, and that portion of Swift County consisting of the city of Appleton, Appleton Township, the city of Danvers, Edison Township, Fairfield Township, Hegbert Township, the city of Holloway, Marysland Township, Moyer Township, Shible Township, Tara Township, and West Bank Township.

(b) House district 13B consists of that portion of senate district 13 not included in house district 13A.

Sec. 15. [2.173] [FOURTEENTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 14 consists of that portion of Benton County consisting of the cities of Rice and Sartell, that portion of Morrison County consisting of Bellevue Township, the city of Bowlus, the city of Elmdale, Elmdale Township, the city of Royalton, Swan River Township, Two Rivers Township, and the city of Upsala, that portion of Pope County

consisting of Bangor Township, the city of Brooten, Lake Johanna Township, and the city of Sedan, and that portion of Stearns County not included in senate district 10, 11, or 16.

Subd. 2. [HOUSE DISTRICTS.] Senate district 14 is divided into two house districts as follows:

(a) House district 14A consists of that portion of senate district 14 not included in house district 14B.

(b) House district 14B consists of that portion of Pope County contained in senate district 14, and that portion of Stearns County consisting of the city of Belgrade, the city of Brooten, the city of Cold Spring, Colledgeville Township, Crow Lake Township, Crow River Township, Eden Lake Township, the city of Elrosa, Fair Haven Township, Farming Township, the city of Freeport, the city of Greenwald, Grove Township, the city of Kimball Prairie, Lake George Township, the city of Lake Henry, Lake Henry Township, Luxemburg Township, Lynden Township, Maine Prairie Township, the city of Meire Grove, the city of Melrose, Munson Township, the city of New Munich, North Fork Township, Oak Township, the city of Paynesville, Paynesville Township, the city of Richmond, the city of Rockville, Rockville Township, the city of Roscoe, the city of St. Martin, St. Martin Township, the city of Spring Hill, Spring Hill Township, Wakefield Township, and Zion Township.

Sec. 16. [2.183] [FIFTEENTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 15 consists of all of Kandiyohi and Renville Counties, that portion of Chippewa County consisting of the city of Granite Falls, and Granite Falls Township, that portion of McLeod County consisting of Collins Township, Lynn Township, and the city of Stewart, that portion of Meeker County consisting of Acton Township, the city of Cedar Mills, Cedar Mills Township, the city of Cosmos, Cosmos Township, Danielson Township, Greenleaf Township, and the city of Grove City, and that portion of Yellow Medicine County consisting of the city of Granite Falls.

Subd. 2. [HOUSE DISTRICTS.] Senate district 15 is divided into two house districts as follows:

(a) House district 15A consists of that portion of Kandiyohi County consisting of Arctander Township, Burbank Township, Colfax Township, Dovre Township, Green Lake Township, Harrison Township, Irving Township, the city of Kandiyohi, Kandiyohi Township, Lake Andrew Township, Mamre Township, the city of New London, New London Township, Norway Lake Township, the city of Pennock, the city of Regal, Roseville Township, St. Johns Township, the city of Spicer, the city of Sunburg, the city of Willmar, and Willmar Township.

(b) House district 15B consists of that portion of senate district 15 not included in house district 15A.

Sec. 17. [2.193] [SIXTEENTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 16 consists of that portion of Stearns County consisting of St. Augusta Township, the city of St. Cloud, St. Cloud Township, and the city of Waite Park, and that portion of Benton County consisting of the city of Sauk Rapids, except that portion of the city of Sauk Rapids surrounded by Sauk Rapids Township, the portions of Sauk Rapids Township surrounded by the city of Sauk Rapids, and the city of St. Cloud, except that portion of the city of St. Cloud lying east of a line described as follows: commencing at the intersection of the eastern boundary of the city of St. Cloud and State Highway 23, southwest-erly along State Highway 23 to 14th Avenue Southeast, southerly along 14th Avenue Southeast to 2nd Street Southeast, easterly along 2nd Street Southeast to the eastern boundary of the city of St. Cloud.

Subd. 2. [HOUSE DISTRICTS.] Senate district 16 is divided into two house districts as follows:

(a) House district 16A consists of that portion of Benton County in senate district 16, and that portion of Stearns County consisting of that portion of the city of St. Cloud lying east and north of a line described as follows: commencing at the intersection of the northern boundary of the city of St. Cloud and the extension of 25th Avenue North, southerly along the extension of 25th Avenue North to the Sauk River, southerly and westerly along the Sauk River to 33rd Avenue North, southerly along 33rd Avenue North to 5th Street North, easterly along 5th Street North to 30th Avenue North, southerly along 30th Avenue North and 30th Avenue South to 1st Street South, easterly along 1st Street South to 25th Avenue South, northerly along 25th Avenue South and 25th Avenue North to 2nd Street North, easterly along 2nd Street North to Cooper Avenue North, southerly along Cooper Avenue North to West St. Germain Street, northeasterly along West St. Germain Street to 8th Avenue South, southeasterly along 8th Avenue South to 1st Street South, southwesterly along 1st Street South to 8th Avenue South, south-easterly along 8th Avenue South to 2nd Street South, southwesterly along 2nd Street South to 10th Avenue South, southeasterly along 10th Avenue South to 2nd Street South, southwesterly along 2nd Street South to East Lake Boulevard, southerly along East Lake Boulevard to 5th Street South, easterly along 5th Street South to 4th Avenue South, southerly along 4th Avenue South to 10th Street South, easterly along 10th Street south to the Mississippi River.

(b) House district 16B consists of that portion of senate district 16 not included in house district 16A.

Sec. 18. [2.203] [SEVENTEENTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 17 consists of Mille Lacs County, that portion of Benton County not included in senate district 14 or 16, that portion of Kanabec County not included in senate district 18, that portion of Sherburne County not included in senate district 19, and that portion of Morrison County consisting of: the city of Buckman, Buckman Township, the city of Genola, Granite Township, the city of Harding, the city of Hillman, Hillman Township, Lakin Township, the city of Lastrup, Leigh Township, Morrill Township, Mount Morris Township, Pierz Township, Pulaski Township, and Richardson Township.

Subd. 2. [HOUSE DISTRICTS.] Senate district 17 is divided into two house districts as follows:

(a) House district 17A consists of that portion of senate district 17 not included in house district 17B.

(b) House district 17B consists of those portions of Benton and Sherburne Counties located in senate district 17.

Sec. 19. [2.213] [EIGHTEENTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 18 consists of all of Chisago County, all of Isanti County, that portion of Kanabec County consisting of Brunswick Township, Grass Lake township, the city of Grasston, and South Fork Township, and that portion of Pine County consisting of the city of Pine City, Pine City Township, the city of Rock Creek, and Royalton Township.

Subd. 2. [HOUSE DISTRICTS.] Senate district 18 is divided into two house districts as follows:

(a) House district 18A consists of all of Isanti County, that portion of Chisago County consisting of Lent Township and the city of Stacy, that portion of Kanabec County contained in senate district 18, and that portion of Pine County consisting of Royalton Township.

(b) House district 18B consists of that portion of senate district 18 not included in house district 18A.

Sec. 20. [2.223] [NINETEENTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 19 consists of that portion of Sherburne County consisting of the city of Becker, Becker Township, the city of Big Lake, Big Lake Township, the city of Clear Lake, Clear Lake Township, and the city of Elk River, and that portion of Wright County consisting of the city of Albertville, the city of Annandale, the city of Buffalo, Buffalo Township,

Chatham Township, the city of Clearwater, Clearwater Township, Corinna Township, Frankfort Township, the city of Maple Lake, Maple Lake Township, the city of Monticello, Monticello Township, Otsego Township, the city of St. Michael, and Silver Creek Township.

Subd. 2. [HOUSE DISTRICTS.] Senate district 19 is divided into two house districts as follows:

(a) House district 19A consists of that portion of senate district 19 not included in house district 19B.

(b) House district 19B consists of that portion of Sherburne County consisting of the city of Elk River, and that portion of Wright County consisting of the city of Albertville, the city of Buffalo, Buffalo Township, Frankfort Township, Otsego Township, and the city of St. Michael.

Sec. 21. [2.233] [TWENTIETH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 20 consists of that portion of Carver County consisting of the city of Hamburg, Hollywood Township, the city of Norwood, the city of Watertown, Watertown Township, the city of Young America, and Young America Township, that portion of McLeod County not included in senate district 15 or 23, that portion of Meeker County not included in senate district 15, that portion of Stearns county consisting of the city of Eden Lake, and that portion of Wright County not included in senate district 19 or 34.

Subd. 2. [HOUSE DISTRICTS.] Senate district 20 is divided into two house districts as follows:

(a) House district 20A consists of that portion of senate district 20 not included in house district 20B.

(b) House district 20B consists of that portion of Carver County included in senate district 20, that portion of McLeod County consisting of Bergen Township, Hale Township, Helen Township, the city of Lester Prairie, the city of Plato, Rich Valley Township, the city of Silver Lake, the city of Winsted, and Winsted Township, and that portion of Wright County consisting of Albion Township, the city of Cokato, Cokato Township, French Lake Township, the city of Howard Lake, Marysville Township, Middleville Township, the city of Montrose, the city of South Haven, Southside Township, Victor Township, the city of Waverly, and Woodland Township.

Sec. 22. [2.243] [TWENTY-FIRST DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 21 consists of

all of Lincoln, Pipestone, and Rock Counties, all of Lyon County except that included in senate district 22, all of Yellow Medicine County excluding the city of Granite Falls, that portion of Murray County consisting of Cameron Township, Chanarambie Township, the city of Chandler, Ellsborough Township, the city of Lake Wilson, and Moulton Township, that portion of Nobles County consisting of the city of Adrian, the city of Ellsworth, Grand Prairie Township, Leota Township, the city of Lismore, Lismore Township, and Westside Township, and that portion of Redwood County consisting of Gales Township, Granite Rock Township, Johnsonville Township, the city of Lucan, the city of Milroy, the city of Seaforth, Sheridan Township, Underwood Township, Vail Township, the city of Vesta, Vesta Township, the city of Wabasso, Waterbury Township, and Westline Township.

Subd. 2. [HOUSE DISTRICTS.] Senate district 21 is divided into two house districts as follows:

(a) House district 21A consists of that portion of senate district 21 not included in house district 21B.

(b) House district 21B consists of all of Lincoln, Pipestone, and Rock Counties, that portion of Lyon County consisting of Coon Creek Township, the city of Florence, Island Lake Township, Nordland Township, and Shelburne Township, and those portions of Murray and Nobles Counties contained in senate district 21.

Sec. 23. [2.253] [TWENTY-SECOND DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 22 consists of all of all of Cottonwood and Jackson Counties, that portion of Brown County consisting of Albin Township, Bashaw Township, the city of Comfrey, Mulligan Township, and Stately Township, that portion of Lyon County consisting of the city of Balaton, Custer Township, the city of Garvin, Monroe Township, Rock Lake Township, and the city of Tracy, that portion of Martin County consisting of Cedar Township, the city of Ceylon, the city of Dunnell, Elm Creek Township, Fox Lake Township, Galena Township, Jay Township, Lake Belt Township, Lake Fremont Township, Manyaska Township, the city of Ormsby, the city of Sherburn, the city of Trimont, and the city of Welcome, that portion of Murray County not included in senate district 21, that portion of Nobles County not included in senate district 21, that portion of Redwood County consisting of the city of Lamberton, Lamberton Township, North Hero Township, the city of Revere, Springdale Township, and the city of Walnut Grove, and that portion of Watonwan County consisting of Adrian Township, the city of Butterfield, Butterfield Township, the city of Darfur, Long Lake Township, Nelson Township, the city of Odin, Odin Township, the city of Ormsby, and St. James Township.

Subd. 2. [HOUSE DISTRICTS.] Senate district 22 is divided into two house districts as follows:

(a) House district 22A consists of that portion of Cottonwood County consisting of Ann Township, Rose Hill Township, Southbrook Township, the city of Westbrook, and Westbrook Township, that portion of Jackson County consisting of Alba Township, Ewington Township, and La Crosse Township, that portion of Lyon County included in senate district 22, that portion of Murray County included in senate district 22, that portion of Nobles County included in senate district 22, and that portion of Redwood County consisting of North Hero Township, the city of Revere, Springdale Township, and the city of Walnut Grove.

(b) House district 22B consists of that portion of senate district 22 not included in house district 22A.

Sec. 24. [2.263] [TWENTY-THIRD DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 23 consists of that portion of Blue Earth County consisting of Butternut Valley Township, Cambria Township, and Judson Township, that portion of Brown County consisting of Burnstown Township, the city of Cobden, Cottonwood Township, Eden Township, the city of Evan, the city of Hanska, Home Township, Lake Hanska Township, Leavenworth Township, Linden Township, Milford Township, the city of New Ulm, North Star Township, Prairieville Township, Sigel Township, the city of Sleepy Eye, the city of Springfield, and Stark Township, that portion of McLeod County consisting of the city of Brownton, the city of Glencoe, Glencoe Township, Penn Township, Round Grove Township, and Sumter Township, that portion of Nicollet County not included in senate district 24, that portion of Redwood County not included in senate district 21 or 22, and all of Sibley County except for Faxon Township.

Subd. 2. [HOUSE DISTRICTS.] Senate district 23 is divided into two house districts as follows:

(a) House district 23A consists of that portion of Brown County consisting of Burnstown Township, the city of Cobden, Eden Township, the city of Evan, Home Township, Milford Township, the city of New Ulm, North Star Township, Prairieville Township, the city of Sleepy Eye, and the city of Springfield, and that portion of Redwood County included in senate district 23.

(b) House district 23B consists of that portion of senate district 23 not included in house district 23A.

Sec. 25. [2.273] [TWENTY-FOURTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 24 consists of that portion of Blue Earth County consisting of Lime Township, the city of Mankato, Mankato Township, the city of Skyline, and South Bend Township, that portion of LeSueur County consisting of the city of Cleveland, Cleveland Township, the city of Kasota, Kasota Township, the city of LeSueur, Ottawa Township, and Washington Township, that portion of Nicollet County consisting of Belgrade Township, the city of Mankato, the city of North Mankato, Oshawa Township, the city of St. Peter, and Traverse Township.

Subd. 2. [HOUSE DISTRICTS.] Senate district 24 is divided into two house districts as follows:

(a) House district 24A consists of that portion of Nicollet County, contained in senate district 24 and that portion of Blue Earth County consisting of the city of Mankato, the city of Skyline, and South Bend Township.

(b) House district 24B consists of that portion of senate district 24 not included in house district 24A.

Sec. 26. [2.283] [TWENTY-FIFTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 25 consists of all of Rice County, that portion of Dakota County consisting of the city of Northfield, that portion of Scott County consisting of the city of New Prague, and that portion of LeSueur County not included in senate district 24 or 35.

Subd. 2. [HOUSE DISTRICTS.] Senate district 25 is divided into two house districts as follows:

(a) House district 25A consists of those portions of Dakota and Scott counties included in senate district 25, that portion of LeSueur County consisting of the city of Heidelberg, Lanesburgh Township, the city of Le Center, Lexington Township, the city of Montgomery, Montgomery Township, and the city of New Prague, and that portion of Rice County consisting of Bridgewater Township, the city of Dundas, Forest Township, the city of Lonsdale, the city of Northfield, Webster Township, and Wheatland Township.

(b) House district 25B consists of that portion of senate district 25 not included in house district 25A.

Sec. 27. [2.293] [TWENTY-SIXTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 26 consists of all of Faribault County, that portion of Blue Earth County not included in senate district 23 or 24, that portion of Martin County not included in senate district 22, that portion of Waseca County not

included in senate district 28, and that portion of Watonwan County not included in senate district 22.

Subd. 2. [HOUSE DISTRICTS.] Senate district 26 is divided into two house districts as follows:

(a) House district 26A consists of that portion of senate district 26 not included in house district 26B.

(b) House district 26B consists of all of Faribault County, that portion of Blue Earth County consisting of Beauford Township, Danville Township, Decoria Township, the city of Eagle Lake, the city of Good Thunder, Jamestown Township, Le Ray Township, Lyra Township, McPherson Township, the city of Madison Lake, the city of Mapleton, Mapleton Township, Medo Township, the city of Pemberton, the city of St. Clair, and Sterling Township, and that portion of Waseca County consisting of Alton Township, Byron Township, Freedom Township, the city of Janesville, Janesville Township, the city of New Richland, New Richland Township, Vivian Township, the city of Waldorf, and Wilton Township.

Sec. 28. [2.303] [TWENTY-SEVENTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 27 consists of all of Freeborn County, and that portion of Mower County not included in senate district 31.

Subd. 2. [HOUSE DISTRICTS.] Senate district 27 is divided into two house districts as follows:

(a) House district 27A consists of all of Freeborn County.

(b) House district 27B consists of that portion of senate district 27 not included in house district 27A.

Sec. 29. [2.313] [TWENTY-EIGHTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 28 consists of all of Steele County, all of Dodge County except Vernon Township, that portion of Goodhue County consisting of Cherry Grove Township, Holden Township, Kenyon Township, the city of Kenyon, Roscoe Township, Wanamingo Township, and the city of Wanamingo, that portion of Olmsted County consisting of the city of Byron and Kalmar Township, and that portion of Waseca County consisting of Blooming Grove Township, Iosco Township, Otisco Township, St. Mary Township, the city of Waseca, and Woodville Township.

Subd. 2. [HOUSE DISTRICTS.] Senate district 28 is divided into two house districts as follows:

(a) House district 28A consists of that portion of Steele County consisting of Clinton Falls Township, Deerfield Township, Meriden Township, Owatonna Township, and the city of Owatonna, and that portion of Waseca County consisting of Blooming Grove Township, Lasco Township, St. Mary Township, the city of Waseca, and Woodville Township.

(b) House district 28B consists of that portion of senate district 28 not included in house district 28A.

Sec. 30. [2.323] [TWENTY-NINTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 29 consists of all of Wabasha County, that portion of Dakota County consisting of the city of Hastings, and Ravenna Township, and that portion of Goodhue County not included in senate district 28 or 37.

Subd. 2. [HOUSE DISTRICTS.] Senate district 29 is divided into two house districts as follows:

(a) House district 29A consists of that portion of Dakota County consisting of the city of Hastings and Ravenna Township, and that portion of Goodhue County consisting of the city of Red Wing, and Welch Township.

(b) House district 29B consists of that portion of Senate district 29 not included in house district 29A.

Sec. 31. [2.333] [THIRTIETH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 30 consists of that portion of Olmstead County consisting of the city of Rochester.

Subd. 2. [HOUSE DISTRICTS.] Senate district 30 is divided into two house districts as follows:

(a) House district 30A consists of that portion of senate district 30 lying north of a line described as follows: commencing at the intersection of Country Club Road West with the western boundary of the city of Rochester, easterly along Country Club Road West and 2nd Street Southwest to 6th Avenue Southwest, northerly along 6th Avenue Southwest and 6th Avenue Northwest to 7th Street Northwest, westerly along 7th Street Northwest to 7th Avenue Northwest, northerly along 7th Avenue Northwest to 11th Street Northwest, easterly along 11th Street Northwest to 5th Avenue Northwest, northerly along 5th Avenue Northwest to 14th Street Northwest, easterly along 14th Street Northwest to Creek, northeasterly along Creek to the Zumbro River, southeasterly and southerly along the Zumbro River to 7th Street Northeast, easterly along 7th Street Northeast to 11th Avenue Northeast,

northerly along 11th Avenue Northeast to 14th Street Northwest, easterly along 14th Street Northwest and northeasterly along Viola Road Northeast to 19th Street Northeast, westerly along 19th Street Northeast to 13th Avenue Northeast, northerly along 13th Avenue Northeast to the northeastern boundary of the city of Rochester.

(b) House district 30B consists of that portion of senate district 30 not included in house district 30A.

Sec. 32. [2.343] [THIRTY-FIRST DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 31 consists of that portion of Dodge County consisting of Vernon Township, that portion of Fillmore County not included in senate district 32, that portion of Mower County consisting of Bennington Township, Clayton Township, Frankford Township, the city of Grand Meadow, Grand Meadow Township, the city of Le Roy, Le Roy Township, Lodi Township, Pleasant Valley Township, the city of Racine, Racine Township, the city of Sargeant, Sargeant Township, and the city of Taopi, that portion of Olmsted County not included in senate district 28 or 30, and that portion of Winona County consisting of the city of St. Charles, St. Charles Township, and Saratoga Township.

Subd. 2. [HOUSE DISTRICTS.] Senate district 31 is divided into two house districts as follows:

(a) House district 31A consists of that portion of senate district 31 not included in house district 31B.

(b) House district 31B consists of those portions of Fillmore, Mower, and Winona counties in senate district 31, and that portion of Olmsted County consisting of the city of Chatfield, the city of Dover, Dover Township, Elmira Township, the city of Eyota, Eyota Township, Orion Township, Quincy Township, and Viola Township.

Sec. 33. [2.353] [THIRTY-SECOND DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 32 consists of all of Houston County, that portion of Fillmore County consisting of Norway Township, the city of Peterson, the city of Rushford, and the city of Rushford Village, and that portion of Winona County not included in senate district 31.

Subd. 2. [HOUSE DISTRICTS.] Senate district 32 is divided into two house districts as follows:

(a) House district 32A consists of that portion of Winona County consisting of the city of Elba, Elba Township, the city of Goodview, the city of Minneiska City, the city of Minnesota City, Mount

Vernon Township, the city of Rollingstone, Rollingstone Township, Whitewater Township, the city of Winona, and Winona Township.

(b) House district 32B consists of that portion of senate district 32 not included in house district 32A.

Sec. 34. [2.363] [THIRTY-THIRD DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 33 consists of that portion of Hennepin County consisting of Rogers, Corcoran, Hassan, Dayton, and Maple Grove, that portion of the city of Champlin not included in senate district 48, and that portion of the city of Plymouth lying east and north of the line described as follows: commencing at the intersection of the northern boundary of the city of Plymouth and Interstate Highway 494, southerly along Interstate Highway 494 to Highway 47, easterly along Highway 47 to Pine View Lane North, southerly along Pine View Lane North to the Soo Line railroad tracks, easterly along the Soo Line railroad tracks to Larch Lane North, southerly along Larch Lane North, to Rockford Road, easterly along Rockford Road to Zachary Lane North, southerly along Zachary Lane North to 36th Avenue North, easterly along 36th Avenue North to the eastern boundary of the city of Plymouth.

Subd. 2. [HOUSE DISTRICTS.] Senate district 33 is divided into two house districts as follows:

(a) House district 33A consists of that portion of senate district 33 not included in house district 33B.

(b) House district 33B consists of that portion of the city of Plymouth in senate district 33 and that portion of the city of Maple Grove lying south and east of a line described as follows: commencing at the intersection of the eastern boundary of the city of Plymouth with 101st Avenue North, westerly along 101st Avenue North to Zachary Lane, southerly along Zachary Lane to 97th Avenue North, easterly along 97th Avenue North and its extension to the extension of Xenium Lane southerly along the extension of Xenium Lane and Xenium Lane to County Road 30, westerly along County Road 30 to Interstate Highway 494, southerly along Interstate Highway 494 to 85th Avenue North, westerly along 85th Avenue North to Fish Lake, southerly along the western shore of Fish Lake to Fernbrook Lane, southerly along Fernbrook Lane to Timbercrest Drive, easterly along Timbercrest Drive to Zinnia, northerly along Zinnia to 73rd Avenue North, easterly along 73rd Avenue North to Interstate Highway 494, southerly along Interstate Highway 494 to the southern boundary of the city of Maple Grove.

Sec. 35. [2.373] [THIRTY-FOURTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 34 consists of that portion of Hennepin County not included in any other senate district, and that portion of Wright County consisting of the city of Delano, Franklin Township, the city of Rockford, and Rockford Township.

Subd. 2. [HOUSE DISTRICTS.] Senate district 34 is divided into two house districts as follows:

(a) House district 34A consists of that portion of Hennepin County consisting of the city of Hanover, the city of Greenfield, the city of Independence, the city of Minnetrista, the city of Mound, the city of Spring Park, and the city of St. Bonifacius.

(b) House district 34B consists of that portion of senate district 34 not included in house district 34A.

Sec. 36. [2.383] [THIRTY-FIFTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 35 consists of that portion of Carver County not included in Senate District 20 or Senate District 43, that portion of Le Sueur County consisting of Derrynane Township, Sharon Township, and Tyrone Township, that portion of Scott County not included in Senate district 37 or 41, and that portion of Sibley County consisting of Faxon Township.

Subd. 2. [HOUSE DISTRICTS.] Senate district 35 is divided into two house districts as follows:

(a) House district 35A consists of that portion of senate district 35 not included in house district 35B.

(b) House District 35B consists of that portion of Scott County consisting of Jackson Township, the city of Jordan, Louisville Township, the city of Prior Lake, Sandcreek Township, the city of Shakopee, and Spring Lake Township.

Sec. 37. [2.393] [THIRTY-SIXTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 36 consists of that portion of Dakota county consisting of that portion of the city of Burnsville lying south of a line described as follows: commencing at the intersection of the western boundary of Dakota county and County Road 42, easterly along County Road 42 to Burnsville Parkway, northeasterly along Burnsville Parkway to West 136th Street, easterly along West 136th Street to County Road 5, southerly along County Road 5 to West 138th Street, southeasterly along West 138th Street to 140th Street, southwesterly along 140th Street to McAndrews Road, easterly along McAndrews Road to Nicollet Avenue, northerly along Nicollet Avenue to State Highway 13,

northeasterly along State Highway 13 to Cliff Road, easterly along Cliff Road to the eastern boundary of the city of Burnsville, that portion of the city of Apple Valley lying south of a line described as follows: commencing at the intersection of the northern boundary of the city of Apple Valley with State Highway 77, southerly and then easterly along State Highway 77 to Johnny Cake Ridge Road, northerly along Johnny Cake Ridge Road to the extension of Eveleth Path, easterly and northeasterly along Eveleth Path and its extension to 126th Street West, easterly and southeasterly along 126th Street West and Diamond Path to the eastern boundary of the city of Apple Valley, and that portion of the city of Lakeville north and east of a line described as follows: commencing at the intersection of the northern boundary of the city of Lakeville and Flagstaff Avenue, southerly along Flagstaff Avenue to Dodd Boulevard, northeasterly along Dodd Boulevard to the northern boundary of the city of Lakeville.

Subd. 2. [HOUSE DISTRICTS.] Senate district 36 is divided into two house districts as follows:

(a) House district 36A consists of those portions of the cities of Apple Valley and Lakeville contained in senate district 36.

(b) House district 36B consists of that portion of senate district 36 not included in house district 36A.

Sec. 38. [2.403] [THIRTY-SEVENTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 37 consists of that portion of Scott County consisting of Credit River Township, Cedar Lake Township, New Market Township, the city of New Market, and the city of Elko, that portion of Dakota County not included in senate district 25, 36, 38, or 39, and that portion of Goodhue County consisting of Cannon Falls Township, Leon Township, Stanton Township, and Warsaw Township, and the cities of Cannon Falls and Dennison.

Subd. 2. [HOUSE DISTRICTS.] Senate district 37 is divided into two house districts as follows:

(a) House district 37A consists of that portion of house district 37 not included in house district 37B.

(b) House district 37B consists of that portion of senate district 37 consisting of that portion of Scott County located in senate district 37 and that portion of Dakota County consisting of that portion of the city of Lakeville included in senate district 37 and that portion of the city of Farmington lying north of a line described as follows: commencing at the intersection of the northern boundary of the city of Farmington and the eastern boundary of the city of Farmington,

southerly along the eastern boundary of the city of Farmington to the point where it turns east, westerly along an extension of that boundary of the city of Farmington to Aiken Road, northwesterly along Aiken Road to 195th Street West, westerly along 195th Street West to Flagstaff Avenue, southerly along Flagstaff Avenue to 200th Street West, westerly along 200th Street West to the western boundary of the city of Farmington.

Sec. 39. [2.413] [THIRTY-EIGHTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 38 consists of that portion of Dakota County consisting of the cities of Eagan, Lilydale, and Mendota, that portion of the city of Apple Valley not included in Senate district 36, that portion of the city of Burnsville north and east of a line described as follows: commencing at the intersection of the northern boundary of Dakota County and Interstate Highway 35W, southerly along Interstate Highway 35W to the Chicago Northwestern Transportation Company railroad tracks, easterly along the Chicago and Northwestern Transportation Company railroad tracks to Cliff Road, southerly and easterly along Cliff Road to Nicollet Avenue, southerly along Nicollet Avenue to State Highway 13, northeasterly along State Highway 13 to Cliff Road, easterly along Cliff Road to the eastern boundary of the city of Burnsville, and that portion of the city of Mendota Heights lying west and south of a line described as follows: commencing at the intersection of the northern boundary of the city of Mendota Heights and State Highway 13, southwesterly along State Highway 13 to Wachtler Avenue, southerly along Wachtler Avenue to Wentworth Avenue, easterly along Wentworth Avenue to Dodd Road, southwesterly along Dodd Road to Marie Avenue, easterly along Marie Avenue to the eastern boundary of the city of Mendota Heights.

Subd. 2. [HOUSE DISTRICTS.] Senate district 38 is divided into two house districts as follows:

(a) House district 38A consists of that portion of senate district 38 not included in house district 38B.

(b) House district 38B consists of that portion of the city of Apple Valley in senate district 38, that portion of the city of Burnsville east of a line described as follows: commencing at the intersection of State Highway 13 and the eastern boundary of the city of Burnsville, southwesterly along State Highway 13 to Cliff Road, easterly along Cliff Road to the eastern boundary of the city of Burnsville, and that portion of the city of Eagan lying south of a line described as follows: commencing at the intersection of the western boundary of the city of Eagan and Diffley Road, easterly along Diffley Road to Lexington Avenue, northerly along Lexington Avenue to Yankee Doodle Road, easterly along Yankee Doodle Road to the Soo Line railroad tracks, southeasterly along the Soo Line railroad tracks to the eastern boundary of the city of Eagan.

Sec. 40. [2.423] [THIRTY-NINTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 39 consists of that portion of Dakota County consisting of the cities of Inver Grove Heights, South St. Paul, Sunfish Lake, West St. Paul, and that portion of the city of Mendota Heights not included in senate district 38.

Subd. 2. [HOUSE DISTRICTS.] Senate district 39 is divided into two house districts as follows:

(a) House district 39A consists of that portion of senate district 39 consisting of the cities of West St. Paul and Sunfish Lake, that portion of the city of Mendota Heights included in senate district 39, that portion of the city of South St. Paul lying north and west of a line described as follows: commencing at the intersection of the southern boundary of the city of South St. Paul and 18th Avenue South, northerly along 18th Avenue South to Southview Boulevard, easterly along Southview Boulevard to 17th Avenue South, northerly along 17th Avenue South to 4th Street North, easterly along 4th Street North to 14th Avenue North, northerly along 14th Avenue North to Wentworth Avenue, easterly along Wentworth Avenue and its extension to the Mississippi River, and that portion of the city of Inver Grove Heights lying west and north of a line described as follows: commencing at the intersection of the northern boundary of the city of Inver Grove Heights and Babcock Trail, southerly along Babcock Trail to Upper 55th Street, westerly along Upper 55th Street to the western boundary of the city of Inver Grove Heights.

(b) House district 39B consists of that portion of senate district 39 not included in house district 39A.

Sec. 41. [2.433] [FORTIETH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 40 consists of that portion of the city of Bloomington not included in senate district 41, and that portion of the city of Richfield not included in senate district 63.

Subd. 2. [HOUSE DISTRICTS.] Senate district 40 is divided into two house districts as follows:

(a) House district 40A consists of that portion of senate district 40 lying north and east of a line described as follows: commencing at the intersection of the northern boundary of the city of Bloomington and Interstate Highway 35W, southerly along Interstate Highway 35W to the Soo Line railroad tracks, northeasterly along the Soo Line railroad tracks to 95th Street, easterly along 95th Street to Chicago Avenue South, northerly along Chicago Avenue South to

94th Street, easterly along 94th Street to Old Shakopee Road, northeasterly along Old Shakopee Road to Old Cedar Avenue, southeasterly along Old Cedar Avenue to the Minnesota River.

(b) House district 40B consists of that portion of senate district 40 not included in house district 40A.

Sec. 42. [2.443] [FORTY-FIRST DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 41 consists of that portion of Dakota County consisting of that portion of the city of Burnsville not included in senate district 36 or 38, that portion of Scott County consisting of the city of Savage, and that portion of Hennepin County consisting of that portion of the city of Bloomington lying west of a line described as follows: commencing at the intersection of the southern boundary of the city of Bloomington with the extension of France Avenue South, north of the extension of France Avenue South to Overlook Drive, west on Overlook Drive to Normandale Boulevard, north on Normandale Boulevard to Old Shakopee Road, easterly along Old Shakopee Road to Kell Avenue, southerly along Kell Avenue to 188th Street, easterly along 188th Street to Xerxes Avenue South, northerly along Xerxes Avenue South to Old Shakopee Road, northeasterly along Old Shakopee Road to Nine Mile Creek, northerly and westerly along Nine Mile Creek to West 90th Street, southwesterly along West 90th Street to Poplar Bridge Road, easterly along Poplar Bridge Road to Kingsdale Drive, southwesterly along Kingsdale Drive to Poplar Bridge Road, southwesterly along Poplar Bridge Road to Normandale Boulevard, northerly along Normandale Boulevard to the northern boundary of the city of Bloomington, and that portion of the city of Eden Prairie not included in senate district 42 or 43.

Subd. 2. [HOUSE DISTRICTS.] Senate district 41 is divided into two house districts as follows:

(a) House district 41A consists of that portion of senate district 41 lying north of a line described as follows: commencing with the intersection of Purgatory Creek and the western boundary of senate district 41, southeasterly along Purgatory Creek to Pioneer Trail, southwesterly along Pioneer Trail to the Bloomington Ferry Road, southerly along the Bloomington Ferry Road to Old Shakopee Road, easterly along Old Shakopee Road to the eastern boundary of senate district 41.

(b) House district 41B consists of that portion of senate district 41 not included in house district 41A.

Sec. 43. [2.453] [FORTY-SECOND DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 42 consists of

that portion of Hennepin County consisting of the city of Edina and that portion of the city of Eden Prairie not included in senate district 43 and lying west and north of a line described as follows: commencing at the intersection of the southern boundary of Hennepin County with the extension of Concord Drive, northerly along the extension of Concord Drive to Riverview Road, westerly along Riverview Road to Noder Lane northerly along Noder Lane to Silverwood Drive, easterly along Silverwood Drive to Homeward Mills Road, northerly along Homeward Mills Road to Anderson Lakes Parkway, easterly along Anderson Lakes Parkway to Hidden Oaks Drive, northeasterly along Hidden Oaks Drive and its extension to the southern shore of Anderson Lake, southerly southeasterly and northeasterly along the southern shore of Anderson Lake to the eastern boundary of the city of Eden Prairie.

Subd. 2. [HOUSE DISTRICTS.] Senate district 42 is divided into two house districts as follows:

(a) House district 42A consists of that portion of the city of Edina lying north and east of a line described as follows: commencing at the intersection of the western boundary of the city of Edina with U.S. Highway 169, easterly along U.S. Highway 169 to State Highway 100, southerly along State Highway 100 to West 66th Street, easterly along West 66th Street to West Shore Drive, southeasterly along West Shore Drive to Lagoon Drive, easterly along Lagoon Drive to Woodale Avenue, southerly along Woodale Avenue to Dunberry Lane, easterly along Dunberry Lane to Cornelia Drive, southerly along Cornelia Drive to West 70th Street, easterly along West 70th Street to France Avenue, southerly along France Avenue to the southern boundary of the city of Edina.

(b) House district 42B consists of that portion of senate district 42 not contained in house district 42A.

Sec. 44. [2.463] [FORTY-THIRD DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 43 consists of that portion of Carver County consisting of the cities of Chanhassen and Victoria, and that portion of Hennepin County consisting of the city of Deephaven, that portion of the city of Eden Prairie not included in senate district 42, the city of Excelsior, the city of Greenwood, that portion of the city of Minnetonka lying south and west of a line described as follows: commencing at the intersection of Lake Street and the western boundary of the city of Minnetonka, easterly along Lake Street to Interstate Highway 494, southerly along Interstate Highway 494 to the southern boundary of the city of Minnetonka, the city of Minnetonka Beach, that portion of the city of Orono lying south of the northern shore of Lake Minnetonka along Crystal Bay, Smith Bay, and Browns Bay, the city of Shorewood, the city of Tonka Bay, the city of Wayzata, and the city of Woodland.

Subd. 2. [HOUSE DISTRICTS.] Senate district 43 is divided into two house districts as follows:

(a) House district 43A consists of that portion of senate district 43 consisting of the cities of Eden Prairie, Minnetonka Beach, Orono, and Tonka Bay, and that portion of the city of Shorewood lying west described as follows: commencing at the intersection of the southern boundary of Hennepin County and First Avenue, northerly along First Avenue to Smith Town Road, westerly along Smith Town Road to Eureka Road, northerly along Eureka Road to Birch Bluff Road, easterly along Birch Bluff Road to the western boundary of the city of Tonka Bay.

(b) House district 43B consists of that portion of senate district 43 not included in house district 43A.

Sec. 45. [2.473] [FORTY-FOURTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 44 consists of that portion of Hennepin County consisting of the cities of Hopkins and St. Louis Park, and that portion of the city of Minnetonka lying south and east of a line described as follows: commencing at the intersection of Interstate Highway 494 and the southern boundary of the city of Minnetonka, northerly along Interstate Highway 494 to Excelsior Boulevard, northeasterly and easterly along Excelsior Boulevard to the eastern boundary of the city of Minnetonka.

Subd. 2. [HOUSE DISTRICTS.] Senate district 44 is divided into two house districts as follows:

(a) House district 44A consists of that portion of senate district 44 in the city of St. Louis Park lying east of a line described as follows: commencing at the intersection of the northern boundary of the city of St. Louis Park and Flag Avenue, southerly along Flag Avenue to Westmoreland Lane, easterly along Westmoreland Lane, Franklin Avenue, and its extension to Louisiana Avenue, southerly along Louisiana Avenue to the Burlington Northern Railroad tracks, southwesterly along the Burlington Northern Railroad tracks to Virginia Avenue, southerly along Virginia Avenue to West 28th Street, easterly along West 28th Street to Texas Avenue, southerly along Texas Avenue to the southern boundary of the city of St. Louis Park.

(b) House district 44B consists of that portion of senate district 44 not included in house district 44A.

Sec. 46. [2.483] [FORTY-FIFTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 45 consists of that portion of Hennepin County consisting of that portion of the

city of Golden Valley not included in senate district 46, the city of Medicine Lake, that portion of the city of Minnetonka not included in senate district 43 or 44, and that portion of the city of Plymouth lying south and east of a line described as follows: commencing at the intersection of the western boundary of the city of Plymouth with County Road 6, easterly along County Road 6 to Interstate Highway 494, northerly along Interstate Highway 494 to Rockford Road, easterly along Rockford Road to Zachary Lane, southerly along Zachary Lane to 36th Avenue North, easterly along 36th Avenue North to the eastern boundary of the city of Plymouth.

Subd. 2. [HOUSE DISTRICTS.] Senate district 45 is divided into two house districts as follows:

(a) House district 45A consists of that portion of senate district 45 consisting of that portion of the city of Minnetonka located in senate district 45 and that portion of the city of Plymouth located in senate district 45 lying west of Interstate Highway 494.

(b) House district 45B consists of that portion of senate district 45 not included in house district 45A.

Sec. 47. [2.493] [FORTY-SIXTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 46 consists of that portion of Hennepin County consisting of the cities of Crystal, New Hope, Robbinsdale, and that portion of the city of Brooklyn Center lying south of 58th Avenue North.

Subd. 2. [HOUSE DISTRICTS.] Senate district 46 is divided into two house districts as follows:

(a) House district 46A consists of that portion of senate district 46 lying west of a line described as follows: commencing at the intersection of the northern boundary of the city of Crystal with U.S. Highway 52 southeasterly along U.S. Highway 52 to the northern boundary of the city of Robbinsdale, westerly, southerly, and westerly along the northern and western boundaries of the city of Robbinsdale to 42nd Avenue North, westerly along 42nd Avenue North to the Soo Line Railroad Company tracks, southerly along the Soo Line Railroad Company tracks to the western boundary of the city of Crystal, westerly and southerly along the western boundary of the city of Crystal to the southern boundary of senate district 46.

(b) House district 46B consists of that portion of senate district 46 not included in house district 46A.

Sec. 48. [2.503] [FORTY-SEVENTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 47 consists of

that portion of Hennepin County consisting of that portion of the city of Brooklyn Center not included in senate district 46 and that portion of the city of Brooklyn Park lying south and west of a line described as follows: commencing at the intersection of the western boundary of the city of Brooklyn Park and the southern boundary of the city of Osseo, easterly along the southern boundary of the city of Osseo to the Burlington Northern Railroad tracks, southeasterly along the Burlington Northern Railroad tracks to 85th Avenue North, easterly along 85th Avenue North to Xerxes Avenue, southerly along Xerxes Avenue to 81st Avenue North, easterly along 81st Avenue North and its extension to Pearson Parkway, southeasterly along Pearson Parkway to Newton Avenue, southerly along Newton Avenue to the southern boundary of the city of Brooklyn Park.

Subd. 2. [HOUSE DISTRICTS.] Senate district 47 is divided into two house districts as follows:

(a) House district 47A consists of that portion of senate district 47 lying west of a line described as follows: commencing at the intersection of the northern boundary of senate district 47 and Noble Avenue, southerly along Noble Avenue to 83rd Avenue North, easterly along 83rd Avenue North to 82nd Avenue North, southerly and westerly along 82nd Avenue North to June Avenue, southerly along June Avenue to 75th Avenue North, westerly along 75th Avenue North to Lee Avenue, southerly and westerly along Lee Avenue to Major Avenue, southerly and westerly along Major Avenue to Noble Avenue, southerly along Noble Avenue to the southern boundary of senate district 47.

(b) House district 47B consists of that portion of senate district 47 not located in house district 47A.

Sec. 49. [2.513] [FORTY-EIGHTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 48 consists of that portion of Anoka County consisting of that portion of the city of Coon Rapids not included in senate district 49, the city of Spring Lake Park, that portion of the city of Blaine south and west of a line described as follows: commencing at the intersection of the western boundary of the city of Blaine with County Road 11B, southeasterly along County Road 11B to Central Avenue Northeast, southerly along Central Avenue Northeast to 89th Avenue, easterly along 89th Avenue Northeast and its extension to Hastings Street Northeast, southerly along Hastings Street Northeast to the southern boundary of the city of Blaine, and that portion of the city of Fridley lying north of a line described as follows: commencing at the intersection of the Mississippi River with Rice Creek, easterly along Rice Creek to East River Road, southeasterly along East River Road to Mississippi Street, easterly along Mississippi Street to Seventh Street Northeast, southerly along Seventh Street Northeast to 61st Avenue East, easterly along 61st Avenue East to West Moore Lake

Drive, southeasterly along West Moore Lake Drive to Central Avenue Northeast, southerly along Central Avenue Northeast to Lynde Drive, easterly along Lynde Drive to Regis Street, northerly along Regis Street to Hathaway Lane, easterly along Hathaway Lane to Regis Trail, northerly along Regis Trail to Gardena Avenue, easterly along Gardena Avenue to the eastern boundary of the city of Fridley, that portion of Ramsey County consisting of the city of Spring Lake Park, and that portion of Hennepin County consisting of that portion of the city of Brooklyn Park not included in senate district 47, the city of Osseo, and that portion of the city of Champlin lying east of a line described as follows: commencing at the intersection of the southern boundary of the city of Champlin with United States Highway 169, northerly along United States Highway 169 to Hayden Lake Road, westerly along Hayden Lake Road to Vera Street, northerly along Vera Street and its extension to the extension of Baker Lane, northerly along Baker Lane and its extension to French Lake Road, northeasterly along French Lake Road to Dayton River Road, southeasterly along Dayton River Road to United States Highway 169, northerly along United States Highway 169 to the Mississippi River.

Subd. 2. [HOUSE DISTRICTS.] Senate district 48 is divided into two house districts as follows:

(a) House district 48A consists of that portion of senate district 48 not included in house district 48B.

(b) House district 48B consists of that portion of senate district 48 located in Anoka and Ramsey Counties.

Sec. 50. [2.523] [FORTY-NINTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 49 consists of that portion of Anoka County consisting of the city of Anoka and that portion of the city of Coon Rapids lying north of a line described as follows: commencing at the intersection of the Mississippi River with Coon Creek, northerly along Coon Creek to the Burlington Northern Railroad tracks, southeasterly along the Burlington Northern Railroad tracks to Coon Rapids Boulevard, easterly along Coon Rapids Boulevard to the north-south Burlington Northern Railroad tracks, northerly along the north-south Burlington Northern Railroad tracks to Egret Boulevard, easterly along Egret Boulevard to Highway 10, southeasterly along Highway 10 to the extension of 94th Avenue, northeasterly along the extension of 94th Avenue to the eastern boundary of the city of Coon Rapids.

Subd. 2. [HOUSE DISTRICTS.] Senate district 49 is divided into two house districts as follows:

(a) House district 49A consists of that portion of senate district 49 lying north and west of a line described as follows: commencing at

the intersection of the Mississippi River with the southern boundary of the campus of Anoka Ramsey State Community College, easterly along the southern boundary of the campus of Anoka Ramsey State Community College to Mississippi Boulevard, northerly along Mississippi Boulevard to Coon Rapids Boulevard, northwesterly along Coon Rapids Boulevard to Round Lake Boulevard, northerly along Round Lake Boulevard to 119th Avenue Northwest, easterly along 119th Avenue Northwest an extension of Magnolia Street, northerly along the extension of Magnolia Street to the Burlington Northern Railroad tracks, northwesterly along the Burlington Northern Railroad tracks to Main Street, easterly along Main Street to United States Highway 10, southeasterly along United States Highway 10 to Hanson Boulevard, northeasterly along Hanson Boulevard to North Dale Boulevard, easterly along North Dale Boulevard to Sand Creek, northeasterly and southeasterly along Sand Creek to the eastern boundary of the city of Coon Rapids.

(b) House district 49B consists of that portion of senate district 49 not located in house district 49A.

Sec. 51. [2.533] [FIFTIETH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 50 consists of that portion of Anoka County north of a line described as follows: commencing at the intersection of the Mississippi River with the northwestern boundary of the city of Anoka, northerly and easterly along the northern boundary of the city of Anoka to the northern boundary of the city of Coon Rapids, easterly along the northern boundary of the city of Coon Rapids to University Avenue Northeast, southerly along University Avenue Northeast to Main Street, easterly along Main Street to Jefferson Street Northeast, northerly along Jefferson Street Northeast to Madison Street, northeasterly along Madison Street to 127th Avenue, easterly along 127th Avenue to Able Street, southerly along Able Street to 128th Avenue, easterly along 128th Avenue to Taylor Street, northerly along Taylor Street to 126th Avenue, easterly along 126th Avenue to Buchanan Street, northerly along Buchanan Street to 129th Avenue, easterly along 129th Avenue to Lincoln Street, northerly along Lincoln Street to 129th Avenue, easterly along 129th Avenue to Central Avenue Northeast, northerly along Central Avenue Northeast to the northern boundary of the city of Blaine, easterly along the northern boundary of the city of Blaine and the northern boundary of the city of Lino Lakes to the eastern boundary of Anoka County.

Subd. 2. [HOUSE DISTRICTS.] Senate district 50 is divided into two house districts as follows:

(a) House district 50A consists of that portion of senate district 50 lying north of a line described as follows: commencing at the intersection of the eastern boundary of Anoka County with the

northern boundary of the city of Andover, easterly along the northern boundary of the city of Andover and the northern boundary of the city of Ham Lake to Central Avenue Northeast, southerly along Central Avenue Northeast to the northern boundary of the city of Blaine, easterly along the northern boundary of the city of Blaine and the northern boundary of the city of Lino Lakes to the eastern boundary of Anoka County.

(b) House district 50B consists of that portion of senate district 50 not included in house district 50A.

Sec. 52. [2.553] [FIFTY-FIRST DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 51 consists of that portion of Anoka County consisting of all of the cities of Centerville, Lexington, and Lino Lakes, and that portion of the city of Blaine not included in senate district 48, 50, or 53, and that portion of Washington County north of a line described as follows: commencing at the intersection of the western boundary of the city of Hugo with the southern boundary of the city of Hugo, easterly along the southern boundary of the city of Hugo to Goodview Avenue, northerly along Goodview Avenue to 137th Street North, easterly along 137th Street North to Homestead Avenue North, northerly along Homestead Avenue North to 140th Street North, easterly along 140th Street North to the eastern boundary of the city of Hugo, southerly along the eastern boundary of the city of Hugo to the southern boundary of May Township, easterly along the southern boundary of May Township to the eastern boundary of Washington County.

Subd. 2. [HOUSE DISTRICTS.] Senate district 51 is divided into two house districts as follows:

(a) House district 51A consists of the city of Lexington and that portion of the city of Blaine included in senate district 51.

(b) House district 51B consists of that portion of senate district 51 not included in house district 51A.

Sec. 53. [2.543] [FIFTY-SECOND DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 52 consists of that portion of Anoka County consisting of the cities of Columbia Heights and Hilltop and that portion of the city of Fridley not included in senate district 48, and that portion of Ramsey County consisting of the city of Mounds View and the city of New Brighton.

Subd. 2. [HOUSE DISTRICTS.] Senate district 52 is divided into two house districts as follows:

(a) House district 52A consists of that portion of senate district 52 not included in house district 52B.

(b) House district 52B consists of the city of Mounds View and that portion of the city of New Brighton located within a line described as follows: commencing at the intersection of 16th Street Northwest with the western boundary of the city of New Brighton, easterly along the western boundary of the city of New Brighton to Silver Lake Road, southerly along Silver Lake Road to County Road E, westerly along County Road E to the western boundary of the city of New Brighton, and northerly along the western boundary of the city of New Brighton to the point of origin.

Sec. 54. [2.563] [FIFTY-THIRD DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 53 consists of that portion of Ramsey County consisting of the cities of Arden Hills, Shoreview, North Oaks, and Gem Lake; that portion of the city of Vadnais Heights not included in senate district 54; that portion of White Bear Township bordered by boundaries of Anoka County and the cities of Shoreview and North Oaks; those portions of the city of White Bear Lake and White Bear Township lying westerly of a line described as follows: commencing at the intersection of Otter Lake Road with a railroad right-of-way and the northern boundary of the city of Gem Lake, northerly along Otter Tail Road to County Road H-2, easterly along County Road H-2 to Bald Eagle Boulevard, southerly along Bald Eagle Boulevard extending to the shoreline of White Bear Lake, northerly, easterly, and northerly along the shoreline of White Bear Lake to the northern boundary of Ramsey County; and those portions of the cities of Little Canada and Maplewood not included in senate districts 54, 55, and 57; and that portion of Anoka County consisting of the city of Circle Pines and that portion of the city of Blaine lying within a line described as follows: commencing at the intersection of Interstate Highway 35W and the northern boundary of Ramsey County, northerly along Interstate Highway 35W to the extension of Flowerfield Road, easterly along the extension and Flowerfield Road to Lexington Avenue, and northerly, easterly, southerly, easterly, southerly, and westerly along the boundaries of the city of Blaine to the point of origin.

Subd. 2. [HOUSE DISTRICTS.] Senate district 53 is divided into two house districts as follows:

(a) House district 53A consists of that portion of senate district 53 not included in house district 53B.

(b) House district 53B consists of that portion of senate district 53 consisting of the cities of North Oaks and Gem Lake; those portions of White Bear Township and the cities of Vadnais Heights and White Bear Lake described in subdivision 1; and that portion of the

city of Shoreview lying westerly of Hodgson Road and that portion lying within a line described as follows: commencing at the intersection of Hodgson Road and Snail Lake Boulevard, westerly, southerly, and westerly along Snail Lake Boulevard to County Road F, westerly along County Road F to Lexington Avenue and the western boundary of the city, southerly, easterly, and northerly along the boundaries of the city of Shoreview to Hodgson Road, and northwesterly along Hodgson Road to the point of origin.

Sec. 55. [2.663] [FIFTY-FOURTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 54 consists of that portion of Ramsey County consisting of the cities of Roseville, St. Anthony, Lauderdale, and Falcon Heights, that portion of the city of Maplewood lying within a line described as follows: commencing at a point at the intersection of Rice Street and Larpenteur Avenue, easterly along Larpenteur Avenue to DeSoto Avenue and a railroad right-of-way, northeasterly along the railroad right-of-way and an extension of it to Parkway Boulevard, northeasterly along Parkway Boulevard to Frost Avenue, easterly along Frost Avenue to Chamber Street, northerly along Chamber Street to said railroad right-of-way, northeasterly along the railroad right-of-way to Hazelwood Street, northerly along Hazelwood Street to County Road C, westerly along County Road C to Keller Parkway, northerly and westerly along Keller Parkway to the western boundary of the city, southerly, westerly, southerly, westerly, and southerly along the boundaries of the city to the point of origin; that portion of the city of Little Canada lying within a line described as follows: commencing at the intersection of Owasso Boulevard and Rice Street, southerly, easterly, northerly, easterly, and northerly along the boundaries of the city to Keller Parkway, westerly and southerly along Keller Parkway to Little Canada Road, westerly along Little Canada Road to Interstate Highway 35E, northwesterly along Interstate Highway 35E to Interstate Highway 694, northwesterly along Interstate Highway 694 to the northern boundary of the city, and easterly to the point of origin; and, that portion of the city of Vadnais Heights lying within a line described as follows: commencing at the intersection of Rice Street and Owasso Boulevard, easterly along the northern boundary of the city of Little Canada to Interstate Highway 694, northwesterly along Interstate Highway 694 to Rice Street, and southerly along Rice Street to the point of origin; and, that portion of Hennepin County consisting of the city of St. Anthony.

Subd. 2. [HOUSE DISTRICTS.] Senate district 54 is divided into two house districts as follows:

(a) House district 54A consists of that portion of senate district 54 not included in house district 54B.

(b) House district 54B consists of those portions of the cities of

Little Canada, Maplewood, and Vadnais Heights contained in senate district 54, and that portion of the city of Roseville lying within a line described as follows: commencing at the intersection of Snelling Avenue with the northern boundary of the city, southerly along Snelling Avenue to County Road C, easterly along County Road C to Hamline Avenue, southerly along Hamline Avenue to Trunk Highway 36, westerly along Trunk Highway 36 to Lexington Avenue, southerly along Lexington Avenue to County Road B, easterly along County Road B to the eastern boundary of the city of Roseville, and northerly and easterly along the boundaries of the city of Roseville to the point of origin.

Sec. 56. [2.573] [FIFTY-FIFTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 55 consists of that portion of Ramsey County consisting of the city of North St. Paul; that portion of the city of White Bear Lake not included in senate district 53; that portion of White Bear Township not included in senate district 53; that portion of Maplewood lying within a line described as follows: commencing at the intersection of Century Avenue and Interstate Highway 694, westerly along Interstate Highway 694 to White Bear Avenue, southerly along White Bear Avenue to Trunk Highway 36, westerly along Trunk Highway 36 to Hazelwood Street, southerly along Hazelwood Street to a railroad right-of-way, westerly along the railroad right-of-way to Chamber Street, southerly along Chamber Street to Frost Avenue, westerly and southwesterly along Frost Avenue to the extension of said railroad right-of-way, southwesterly along the extension and the railroad right-of-way to Larpenteur Avenue, easterly along Larpenteur Avenue to Century Avenue, northerly along Century Avenue to Holloway Avenue and the southern boundary of the city of North St. Paul, westerly, northerly, and easterly along the boundaries of the city of North St. Paul to Century Avenue, and northerly along Century Avenue to the point of origin; and, that part of the city of St. Paul lying within a line described as follows: commencing at the intersection of Larpenteur Avenue and Interstate Highway 35E, southerly along Interstate Highway 35E to Arlington Avenue, easterly along Arlington Avenue to Wheelock Parkway, easterly along Wheelock Parkway and its extension to the shoreline of Lake Phalen, southeasterly along the shoreline of Lake Phalen and an extension of the shoreline to Johnson Parkway, southerly along Johnson Parkway to Maryland Avenue, easterly along Maryland Avenue to Kennard Street, northerly along Kennard Street to Sherwood Avenue, easterly along Sherwood Avenue to White Bear Avenue, northerly along White Bear Avenue to Larpenteur Avenue, and westerly along Larpenteur Avenue to the point of origin; and, that portion of Washington County lying within a line described as follows: the intersection of the southerly shoreline of White Bear Lake with the boundary between Ramsey and Washington counties, southeasterly along the shoreline and its extension to Cedar Hall Avenue, southeasterly along Cedar Hall Avenue to Wildwood Road,

northeasterly along Wildwood Road to Ideal Avenue North, southerly along Ideal Avenue North to the boundaries of the city of Pine Springs, easterly, southerly, easterly, southerly, easterly, and southerly along the boundaries of the city of Pine Springs to Interstate Highway 694, westerly to the eastern boundary of Washington County, and northerly along the boundary to the point of origin.

Subd. 2. [HOUSE DISTRICTS.] Senate district 55 is divided into two house districts as follows:

(a) House district 55A consists of that portion of senate district 55 not included in house district 55B.

(b) House district 55B consists of that portion of Washington County included in senate district 55 and that portion of Ramsey County consisting of the city of North St. Paul and those portions of the cities of Maplewood and St. Paul included in senate district 55.

Sec. 57. [2.583] [FIFTY-SIXTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 56 consists of that portion of Washington County not included in senate district 51, 55, or 57.

Subd. 2. [HOUSE DISTRICTS.] Senate district 56 is divided into two house districts as follows:

(a) House district 56A consists of that portion of senate district 56 north of a line described as follows: commencing at the intersection of the western boundary of Washington County with the southern boundary of the city of Mahtomedi easterly and northeasterly along the southern boundary of the city of Mahtomedi to the western boundary of Grant Township, southerly along the western boundary of Grant Township to the southern boundary of Grant Township, easterly along the southern boundary of Grant Township to the western boundary of Baytown Township southerly along the western boundary of Baytown Township to the southern boundary of Baytown Township, easterly along the southern boundary of Baytown Township to the eastern boundary of senate district 56.

(b) House district 56B consists of that portion of senate district 56 not included in house district 56A.

Sec. 58. [2.593] [FIFTY-SEVENTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 57 consists of that portion of Ramsey County consisting of that portion of the city of Maplewood lying south of Larpenteur Avenue, and that portion of Washington County south and west of a line described as follows:

commencing at the intersection of the western boundary of Washington County and the Chicago and Northwestern Transportation Company railroad tracks in the city of Oakdale, easterly along the Chicago and Northwestern Transportation Company railroad tracks to Interstate Highway 694, southerly along Interstate Highway 694 to Valley Creek Road, easterly along Valley Creek Road to Queens Drive, southerly along Queens Drive to Afton Road, southeasterly along Afton Road to Tower Drive, northerly along Tower Drive to Valley Creek Road, easterly along Valley Creek Road to Pioneer Drive, southerly along Pioneer Drive to Bailey Road, easterly along Bailey Road to Woodbury Drive, southerly along Woodbury Drive to the southern boundary of the city of Woodbury, easterly along the southern boundary of Woodbury to the eastern boundary of the city of Cottage Grove, southerly and westerly along the eastern and southern boundaries of Cottage Grove to the Mississippi River.

Subd. 2. [HOUSE DISTRICTS.] Senate district 57 is divided into two house districts as follows:

(a) House district 57A consists of the city of Landfall and those portions of the cities of Oakdale and Woodbury included in senate district 57.

(b) House district 57B consists of that portion of senate district 57 not included in house district 57A.

Sec. 59. [2.603] [FIFTY-EIGHTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 58 consists of that portion of Hennepin County consisting of that portion of the city of Minneapolis located within an area described as follows: commencing at the intersection of the western boundary of the city of Minneapolis and Glenwood Avenue, easterly along Glenwood Avenue to the Burlington Northern Railroad tracks, southeasterly and northeasterly along the Burlington Northern Railroad tracks to Interstate Highway 94, southerly along Interstate Highway 94 to Interstate Highway 394, easterly along Interstate Highway 394 to Hawthorne Avenue, northeasterly along Hawthorne Avenue to 9th Street North, southerly along 9th Street North to Hennepin Avenue, northeasterly along Hennepin Avenue to Washington Avenue North, northwesterly along Washington Avenue North to Plymouth Avenue North, easterly and northeasterly along Plymouth Avenue North to the Mississippi River, northwesterly along the Mississippi River to the northern boundary of the city of Minneapolis, westerly along the northern boundary of the city of Minneapolis to the western boundary of the city of Minneapolis, southerly along the western boundary of the city of Minneapolis to the point of origin.

Subd. 2. [HOUSE DISTRICTS.] Senate district 58 is divided into two house districts as follows:

(a) House district 58A consists of that portion of senate district 58 lying north of a line described as follows: commencing at the intersection of the western boundary of the city of Minneapolis and 21st Avenue North, easterly along 21st Avenue North to Upton Avenue North, northerly along Upton Avenue North to 24th Avenue North, easterly on 24th Avenue North to Sheridan Avenue North, northerly along Sheridan Avenue North to 26th Avenue North, easterly along 26th Avenue North to Penn Avenue North, northerly along Penn Avenue North to 29th Avenue North, easterly along 29th Avenue North to Humboldt Avenue North, northerly along Humboldt Avenue North to 30th Avenue North, easterly along 30th Avenue North to Dupont Avenue North, northerly along Dupont Avenue North to Lowry Avenue North, easterly along Lowry Avenue North to the eastern boundary of senate district 58.

(b) House district 58B consists of that portion of senate district 57 not included in house district 58A.

Sec. 60. [2.613] [FIFTY-NINTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 59 consists of that portion of Hennepin County consisting of that portion of the city of Minneapolis located within an area described as follows: commencing at the intersection of the Mississippi River and the northern boundary of the city of Minneapolis, easterly along the northern boundary of the city of Minneapolis to the eastern boundary of the city of Minneapolis, southerly along the eastern boundary of the city of Minneapolis to the Mississippi River, northwesterly along the Mississippi River to U.S. Highway 12, southwestery along U.S. Highway 12 to Interstate Highway 35W, southwestery along Interstate Highway 35W to 7th Street South, northwesterly along 7th Street South to 5th Avenue South, southwestery along 5th Avenue South to 9th Street South, northwesterly along 9th Street South to the eastern boundary of senate district 58, northerly along the eastern boundary of senate district 58 to the point of origin.

Subd. 2. [HOUSE DISTRICTS.] Senate district 59 is divided into two house districts as follows:

(a) House district 59A consists of that portion of senate district 59 lying north of a line described as follows: commencing at the intersection of the Mississippi River and 8th Avenue Northeast, northeasterly along 8th Avenue Northeast to the east bank of the Mississippi River, southeasterly along the east bank of the Mississippi River to 3rd Avenue Northeast, northeasterly along 3rd Avenue Northeast to 5th Street Northeast, northwesterly along 5th Street Northeast to Broadway Street Northeast, easterly along Broadway Street Northeast to Central Avenue Northeast, northerly along Central Avenue Northeast to the Burlington Northern Railroad tracks, southeasterly along the Burlington Northern Railroad

tracks to Fillmore Street Northeast, northerly along Fillmore Street Northeast to 14th Avenue Northeast, easterly along 14th Avenue Northeast to Johnson Street Northeast, southerly along Johnson Street Northeast to Interstate Highway 35W, northeasterly and easterly along Interstate Highway 35W to the eastern boundary of the city of Minneapolis.

(b) House district 59B consists of that portion of senate district 58 not included in house district 59A.

Sec. 61. [2.623] [SIXTIETH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 60 consists of that portion of Hennepin County consisting of that portion of the city of Minneapolis located within an area described as follows: commencing at the intersection of the western boundary of the city of Minneapolis and West 50th Street, easterly along West 50th Street to Penn Avenue South, northerly along Penn Avenue South to Lake Harriet Parkway, easterly and northeasterly along Lake Harriet Parkway to West 46th Street, easterly along West 46th Street to Nicollet Avenue South, northerly along Nicollet Avenue South to West 36th Street, westerly along West 36th Street to Blaisdell Avenue South, northerly along Blaisdell Avenue South to West 34th Street, westerly along West 34th Street to Grand Avenue South, northerly along Grand Avenue South to West 32nd Street, westerly along West 32nd Street to Harriet Avenue South, northerly along Harriet Avenue South to West 31st Street, westerly along West 31st Street to Garfield Avenue South, northerly along Garfield Avenue South to West Lake Street, westerly along West Lake Street to Lyndale Avenue South, northerly along Lyndale Avenue South to Interstate Highway 94, easterly along Interstate Highway 94 and Interstate Highway 35W to the southern boundary of senate district 59, northwesterly along the southern boundary of senate district 59 to the southern boundary of senate district 58, westerly along the southern boundary of senate district 58 to the western boundary of the city of Minneapolis, southerly along the western boundary of the city of Minneapolis to the point of origin.

Subd. 2. [HOUSE DISTRICTS.] Senate district 60 is divided into two house districts as follows:

(a) House district 60A consists of that portion of senate district 60 lying north of a line described as follows: commencing at the intersection of the western boundary of the city of Minneapolis and West Lake Street, easterly along West Lake Street to the eastern boundary of senate district 60.

(b) House district 60B consists of that portion of senate district 59 not included in house district 60A.

Sec. 62. [2.633] [SIXTY-FIRST DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 61 consists of that portion of Hennepin County consisting of that portion of the city of Minneapolis located within an area described as follows: commencing at the intersection of Lyndale Avenue South and Interstate Highway 94, easterly and northeasterly along Interstate Highway 94 and Interstate Highway 35W to U.S. Highway 12, easterly along U.S. Highway 12 to Cedar Avenue South, southerly along Cedar Avenue South to Hiawatha Avenue, southerly along Hiawatha Avenue to East 28th Street, westerly along East 28th Street to 21st Avenue South, southerly along 21st Avenue South to East 32nd Street, westerly along East 32nd Street to 19th Avenue South, southerly along 19th Avenue South to East 34th Street, westerly along East 34th Street to Bloomington Avenue South, southerly along Bloomington Avenue South to East 36th Street, westerly along East 36th Street to 10th Avenue South, southerly along 10th Avenue South to East 38th Street, westerly along East 38th Street to Elliot Avenue South, southerly along Elliot Avenue South to East 44th Street, westerly along East 44th Street to Chicago Avenue South, southerly along Chicago Avenue South to East 50th Street, westerly along East 50th Street to Park Avenue South, southerly along Park Avenue South to East Minnehaha Parkway, westerly along East Minnehaha Parkway to East 50th Street, westerly along East 50th Street to Stevens Avenue South, northerly along Stevens Avenue South to East 46th Street, westerly along East 46th Street to the eastern boundary of senate district 60, northerly along the eastern boundary of senate district 60, to the point of origin.

Subd. 2. [HOUSE DISTRICTS.] Senate district 61 is divided into two house districts as follows:

(a) House district 61A consists of that portion of senate district 61 lying north of a line described as follows: commencing at the intersection of the western boundary of senate district 61 and West 25th Street, easterly along West 25th Street to Pillsbury Avenue South, southerly along Pillsbury Avenue South to West 26th Street, easterly along West 26th Street to 1st Avenue South, southerly along 1st Avenue South to West Lake Street, easterly along West Lake Street to the eastern boundary of senate district 61.

(b) House district 61B consists of that portion of senate district 61 not included in house district 61A.

Sec. 63. [2.643] [SIXTY-SECOND DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 62 consists of that portion of Hennepin County consisting of that portion of the city of Minneapolis located within an area described as follows: commencing at the intersection of U.S. Highway 12 and Cedar Avenue South, northeasterly along U.S. Highway 12 to the Mississippi River, southeasterly and southerly along the Mississippi River

to the extension of East 54th Street, westerly along the extension of East 54th Street and East 54th Street to 40th Avenue South, southerly along 40th Avenue South to East 55th Street, easterly along East 55th Street to 41st Avenue South, southerly along 41st Avenue South to East 56th Street, westerly along East 56th Street to 28th Avenue South, southerly along 28th Avenue South to East 58th Street, westerly along East 58th Street and its extension to 14th Avenue South, northerly along 14th Avenue South to East 54th Street, easterly along East 54th Street to Bloomington Avenue South, northerly along Bloomington Avenue South to East 48th Street, westerly along East 48th Street to the eastern boundary of senate district 61, northerly along the eastern boundary of senate district 61 to the point of origin.

Subd. 2. [HOUSE DISTRICTS.] Senate district 62 is divided into two house districts as follows:

(a) House district 62A consists of that portion of senate district 62 lying north of a line described as follows: commencing at the intersection of the western boundary of senate district 62 and East 36th Street, easterly along East 36th Street to Cedar Avenue South, southerly along Cedar Avenue South to East 38th Street, easterly along East 38th Street to Hiawatha Avenue, southeasterly along Hiawatha Avenue to East 42nd Street, easterly along East 42nd Street and its extension to the Mississippi River.

(b) House district 62B consists of that portion of senate district 61 not included in house district 62A.

Sec. 64. [2.653] [SIXTY-THIRD DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 63 consists of that portion of Hennepin County consisting of that portion of the city of Minneapolis not contained in senate district 57, 58, 59, 60, or 61; that portion of the city of Richfield lying north of a line described as follows: commencing at the intersection of the western boundary of the city of Richfield and West 57th Street, easterly along West 57th Street to Interstate Highway 35W, southerly along Interstate Highway 35W to West 73rd Street, easterly along West 73rd Street to 2nd Avenue South, southerly along 2nd Avenue South to the southern boundary of the city of Richfield, easterly along the southern boundary of the city of Richfield to the eastern boundary of the city of Richfield; the unorganized territory of Fort Snelling; and the Minneapolis-Saint Paul International Airport.

Subd. 2. [HOUSE DISTRICTS.] Senate district 63 is divided into two house districts as follows:

(a) House district 63A consists of that portion of senate district 63 north of a line described as follows: commencing at the intersection of the western boundary of the city of Minneapolis and interstate

highway 494, easterly along interstate highway 494 to Lyndale Avenue South, northerly along Lyndale Avenue South to West 58th Street, easterly along West 58th Street to interstate highway 35W, southerly along interstate highway 35W to East 60th Street, easterly along East 60th Street to Portland Avenue South, northerly along Portland Avenue South to East 57th Street, southeasterly along East 57th Street to Chicago Avenue South, southerly along Chicago Avenue South to East 58th Street, easterly along East 58th Street to the western boundary of senate district 62.

(b) House district 63B consists of that portion of senate district 63 not included in house district 63A.

Sec. 65. [2.673] [SIXTY-FOURTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 64 consists of that portion of Ramsey County consisting of that portion of the city of St. Paul located within an area described as follows: commencing at the intersection of the western boundary of the city of St. Paul and the southern boundary of senate district 66, easterly along the southern boundary of senate district 66 to Hamline Avenue, southerly along Hamline Avenue to Ayd Mill Road southeasterly along Ayd Mill Road to Summit Avenue, easterly along Summit Avenue to Griggs Street, northerly along Griggs Street to Portland Avenue, easterly along Portland Avenue to Dale Street, southerly along Dale Street to Summit Avenue, easterly and northeasterly along Summit Avenue to Western Avenue, southerly along Western Avenue and its extension to Ramsey Street, easterly along Ramsey Street and Grand Avenue to Interstate Highway 35E, southwesterly along Interstate Highway 35E to St. Clair Avenue, westerly along St. Clair Avenue to Victoria Avenue, southerly along Victoria Avenue to Jefferson Avenue, westerly along Jefferson Avenue to Interstate Highway 35E, southerly along Interstate Highway 35E to the southern boundary of the city of St. Paul, southwesterly, northerly, westerly, and northwesterly along the southern boundary of the city of St. Paul to the western boundary of the city of St. Paul, northerly along the western boundary of the city of St. Paul to the point of origin.

Subd. 2. [HOUSE DISTRICTS.] Senate district 64 is divided into two house districts as follows:

(a) House district 64A consists of that portion of senate district 64 lying north of a line described as follows: commencing at the intersection of the western boundary of the city of St. Paul and the extension of St. Clair Avenue, easterly along the extension of St. Clair Avenue and St. Clair Avenue to Snelling Avenue, southerly along Snelling Avenue to Jefferson Avenue, easterly along Jefferson Avenue to Lexington Parkway, northerly along Lexington Parkway to the Soo Line railroad tracks, easterly along the Soo Line railroad tracks to the eastern boundary of senate district 64B.

(b) House district 64B consists of that portion of senate district 64 not included in house district 64A.

Sec. 66. [2.683] [SIXTY-FIFTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 65 consists of that portion of Ramsey County consisting of that portion of the city of St. Paul located within an area described as follows: commencing at the intersection of the southern boundary of the city of St. Paul and the eastern boundary of senate district 64, northerly, easterly, northerly, and northeasterly along the eastern boundary of senate district 64 to Grand Avenue, westerly along Grand Avenue and Ramsey Street to the extension of Western Avenue, northerly along the extension of Western Avenue and Western Avenue to Summit Avenue, southwesterly and westerly along Summit Avenue to Dale Street, northerly along Dale Street, to Portland Avenue, westerly along Portland Avenue to Griggs Street, southerly along Griggs Street to Summit Avenue, westerly along Summit Avenue to Ayd Mill Road, northwesterly along Ayd Mill Road to Hamline Avenue, northerly along Hamline Avenue to Charles Avenue, easterly along Charles Avenue to Lexington Parkway, northerly along Lexington Parkway to Minnehaha Avenue, easterly along Minnehaha Avenue to Dale Street, northerly along Dale Street to the Burlington Northern Railroad tracks, easterly along the Burlington Northern Railroad tracks past Interstate Highway 35E to the north-south Burlington Northern Railroad tracks, southeasterly along the north-south Burlington Northern Railroad tracks and their extension to the Mississippi River, southerly along the Mississippi River to the southern boundary of the city of St. Paul, westerly and southwesterly along the southern boundary of the city of St. Paul to the point of origin.

Subd. 2. [HOUSE DISTRICTS.] Senate district 65 is divided into two house districts as follows:

(a) House district 65A consists of that portion of senate district 65 lying west of a line described as follows: commencing at the intersection of the northern boundary of senate district 65 and Rice Street, southerly along Rice Street to John Ireland Boulevard, southwesterly along John Ireland Boulevard to Summit Avenue, southwesterly along Summit Avenue to the southern boundary of senate district 65.

(b) House district 65B consists of that portion of senate district 65 not included in house district 65A.

Sec. 67. [2.693] [SIXTY-SIXTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 66 consists of that portion of Ramsey County consisting of that portion of the city of St. Paul located within an area described as follows: commencing

at the intersection of the western boundary of the city St. Paul with the northern boundary of the city of St. Paul, easterly along the northern boundary of the city of St. Paul to Interstate Highway 35E, southerly along Interstate Highway 35E to Arlington Avenue, easterly and southeasterly along Arlington Avenue and Wheelock Parkway to Maryland Avenue, westerly along Maryland Avenue to Edgerton Street, southerly along Edgerton Street to Cook Avenue, westerly along Cook Avenue to DeSoto Street, southerly along DeSoto Street to Case Avenue, westerly along Case Avenue and its extension to Interstate Highway 35E, southerly along Interstate Highway 35E to the Burlington Northern railroad tracks, westerly along the Burlington Northern railroad tracks to Dale Street, southerly along Dale Street to Minnehaha Avenue, westerly along Minnehaha Avenue to Lexington Parkway, southerly along Lexington Parkway to Charles Avenue, westerly along Charles Avenue to Hamline Avenue, southerly along Hamline Avenue to Interstate Highway 94, westerly along Interstate Highway 94 to the western boundary of the city of St. Paul, northerly along the western boundary of the city of St. Paul to the point of origin.

Subd. 2. [HOUSE DISTRICTS.] Senate district 66 is divided into two house districts as follows:

(a) House district 66A consists of that portion of senate portion 66 lying east of a line described as follows: commencing at the intersection of the northern boundary of the city of St. Paul with Grotto Street, southerly along Grotto Street to Arlington Avenue, westerly along Arlington Avenue to Lexington Parkway, southerly along Lexington Parkway to East Como Lake Road, southerly along East Como Lake Road to Victoria Street, southerly along Victoria Street to the Burlington Northern Railroad tracks, westerly along the Burlington Northern Railroad tracks to Chatsworth Street, southerly along Chatsworth Street to Front Avenue, easterly along Front Avenue to Western Avenue, southerly along Western Avenue to the southern boundary of senate district 66.

(b) House district 66B consists of that portion of senate district 66 not included in house district 66A.

Sec. 68. [2.703] [SIXTY-SEVENTH DISTRICT.]

Subdivision 1. [SENATE DISTRICT.] Senate district 67 consists of that portion of Ramsey County consisting of that portion of the city of St. Paul located within an area described as follows: commencing at the intersection of the southern boundary of the city of St. Paul with the eastern boundary of senate district 65, northerly and northwesterly along the eastern boundary of senate district 65 to the northern boundary of senate district 65, westerly along the northern boundary of senate district 65 to the eastern boundary of senate district 66, northerly and easterly along the eastern boundary of senate district 66 to Maryland Avenue, easterly along

Maryland Avenue to Kennard Street, northerly along Kennard Street to Sherwood Avenue, easterly along Sherwood Avenue to White Bear Avenue, northerly along White Bear Avenue to the northern boundary of the city of St. Paul, easterly along the northern boundary of the city of St. Paul to the eastern boundary of the city of St. Paul, southerly along the eastern boundary of the city of St. Paul to the southern boundary of the city of St. Paul, westerly and northwesterly along the southern boundary of the city of St. Paul to the point of origin.

Subd. 2. [HOUSE DISTRICTS.] Senate district 67 is divided into two house districts as follows:

(a) House district 67A consists of that portion of senate district 67 lying north of a line described as follows: commencing at the intersection of the eastern boundary of senate district 67 with Old Hudson Road, westerly along Old Hudson Road to Ruth Street, northerly along Ruth Street to Minnehaha Avenue, easterly along Minnehaha Avenue to Frank Street, northerly along Frank Street to East Seventh Street, easterly along East Seventh Street to Earl Street, northerly along Earl Street to the Burlington Northern railroad tracks, easterly along the Burlington Northern railroad tracks to the eastern boundary of senate district 67.

(b) House district 67B consists of that portion of senate district 67 not included in house district 67A.

Sec. 69. [REPEALER.]

Minnesota Statutes 1990, sections 2.019; 2.042; 2.052; 2.062; 2.072; 2.082; 2.092; 2.102; 2.112; 2.122; 2.132; 2.142; 2.152; 2.162; 2.172; 2.182; 2.192; 2.202; 2.212; 2.222; 2.232; 2.242; 2.252; 2.262; 2.272; 2.282; 2.292; 2.302; 2.312; 2.322; 2.332; 2.342; 2.352; 2.362; 2.372; 2.382; 2.392; 2.402; 2.412; 2.422; 2.432; 2.442; 2.452; 2.462; 2.472; 2.482; 2.492; 2.502; 2.512; 2.522; 2.532; 2.542; 2.552; 2.562; 2.572; 2.582; 2.592; 2.602; 2.612; 2.622; 2.632; 2.642; 2.652; 2.662; 2.672; 2.682; 2.692; and 2.702, are repealed."

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

The report was adopted.

SECOND READING OF SENATE BILLS

S. F. Nos. 100, 109, 820 and 1238 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Carruthers, Vellenga, Long, Macklin and Dempsey introduced:

H. F. No. 1705, A bill for an act relating to civil actions; allowing aggregation of the fault of multiple defendants for the purpose of the *comparative negligence statute*; amending Minnesota Statutes 1990, section 604.01, subdivision 1.

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

Simoneau introduced:

H. F. No. 1706, A bill for an act relating to transportation; requiring the metropolitan council to report on and recommend metropolitan transportation development; restricting planning and expenditures for light rail transit.

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

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. 267, A bill for an act relating to motor vehicles; exempting from commercial vehicle inspection requirements and hazardous material driver's license endorsement requirements, pickup trucks carrying certain quantities of petroleum products or liquid fertilizer; reducing the minimum size of fleets of commercial vehicles permitted to conduct self-inspections; specifying the commercial vehicle inspection standards to be adopted by the commissioner of public safety; providing that certain vehicles may be issued certificates by complying with out-of-service criteria, and that such certificates are valid for two years; providing certain proof of federal inspection in lieu of state inspection decal requirements; changing the period of time for which inspection records must be retained;

lowering the property damage level of accidents subject to postcrash vehicle inspections; delaying effective date of requirement that all commercial vehicles bear a commercial vehicle inspection decal; amending Minnesota Statutes 1990, sections 169.781, subdivisions 1, 2, 3, 4, 5, and by adding a subdivision; 169.783, subdivision 1; 171.02, by adding a subdivision; and Laws 1990, chapter 563, section 11.

H. F. No. 744, A bill for an act relating to the environment; petrofund; amending Minnesota Statutes 1990, sections 115C.07, subdivision 3; 115C.09, subdivisions 1, 2, 3, 3b, 5, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 103I.

H. F. No. 1119, A bill for an act relating to education; requiring the development of policies for students with disabilities in post-secondary institutions; proposing coding for new law in Minnesota Statutes, chapter 135A.

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. 21, A bill for an act relating to waste management; requiring air emission permits for new or expanded infectious waste incinerators; requiring environmental impact statements for the incinerators until new rules are adopted; proposing coding for new law in Minnesota Statutes, chapter 116.

The Senate has appointed as such committee:

Messrs. Bertram and Bernhagen and Ms. Johnson, J. B.

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. 126, A bill for an act relating to highways; designating the Paul Bunyan Expressway from Little Falls through Cass Lake to

Bemidji; amending Minnesota Statutes 1990, section 161.14, by adding a subdivision.

The Senate has appointed as such committee:

Messrs. Samuelson, Finn and Mehrkens.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a *Conference Committee* on the amendments adopted by the Senate to the following House File:

H. F. No. 236, A bill for an act relating to eminent domain; allowing entry onto land for environmental testing before beginning eminent domain proceedings; amending Minnesota Statutes 1990, section 117.041.

The Senate has appointed as such committee:

Messrs. Kelly, Luther and Knaak.

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. 683, A bill for an act relating to alcoholic beverages; prohibiting a retailer from having an interest in a manufacturer, brewer, or wholesaler; prohibiting a retailer from renting space to a manufacturer, brewer, or wholesaler; providing that brand registration is for a three-year period; specifying that club on-sale licenses are subject to approval of the commissioner of public safety; consolidating provisions of law relating to seasonal on-sale licenses; providing extended duration of seasonal licenses in certain counties; removing certain restrictions on location of off-sale and combination licenses issued by counties; clarifying law on issuance of off-sale licenses by counties; allowing gambling on licensed premises when governed by tribal ordinance or a tribal-state compact; clarifying language on certain prohibitions on issuance of multiple licenses and repealing obsolete provisions relating thereto; prohibiting off-

site storage of intoxicating liquor; specifying applicability of license limits to certain fourth-class cities; changing the expiration date for consumption and display permits; raising the minimum age for keeping intoxicating liquor in bottle clubs; authorizing commissioner of public safety to impose civil penalties for conducting or permitting unlawful gambling on licensed premises, or for failure to remove impure products; specifying applicability to municipal liquor stores of prohibitions against permitting consumption of alcoholic beverages by underage persons; clarifying language on sales of intoxicating liquor on Christmas day; providing for Sunday liquor elections in counties; prohibiting sale of certain beverages of more than 50 percent alcohol content; authorizing commissioner of public safety to inspect alcoholic beverages for purity of contents and to order the removal of impure products; specifying that a split liquor referendum is not required for issuance of club licenses; repealing restrictions on wine sales at Minneapolis-St. Paul International Airport; authorizing issuance of an on-sale intoxicating malt liquor license in St. Louis county; authorizing the issuance of an on-sale intoxicating liquor license to a location in Duluth; amending Minnesota Statutes 1990, sections 340A.301, subdivision 7; 340A.311; 340A.402; 340A.404, subdivisions 1 and 6; 340A.405, subdivisions 2 and 6; 340A.408, subdivision 2; 340A.410, subdivision 5; 340A.412, subdivisions 2, 3, and by adding a subdivision; 340A.413, subdivision 1; 340A.414, subdivisions 4 and 8; 340A.415; 340A.503, subdivision 1; 340A.504, subdivisions 2 and 3; 340A.506; 340A.508, by adding a subdivision; 340A.601, subdivision 5; and 340A.604; proposing coding for new law in Minnesota Statutes, chapter 340A; repealing Minnesota Statutes 1990, section 340A.404, subdivision 6a.

The Senate has appointed as such committee:

Messrs. Solon, Metzen 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. 693, A bill for an act relating to data practices; providing for classifications of government data; amending Minnesota Statutes 1990, sections 13.01, by adding a subdivision; 13.03, by adding a subdivision; 13.40; 13.43, subdivision 2 and by adding a subdivision; 13.55; 13.82, subdivisions 4 and 10; 13.83, subdivisions 4, 8, and by adding a subdivision; 13.84, by adding a subdivision; 144.335, by adding a subdivision; 169.09, subdivision 13; 260.161,

subdivision 3; 383B.225, subdivision 6; 390.11, subdivision 7; 390.32, subdivision 6; 403.07, subdivision 4; 595.024, subdivision 3; and 626.556, subdivision 11c, and by adding a subdivision; proposing coding for new law in chapter 13.

The Senate has appointed as such committee:

Ms. Ranum; Messrs. Knaak 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. 922, A bill for an act relating to crimes; imposing a duty to investigate and render aid when a person is injured in a shooting accident; imposing penalties; providing immunity from civil liability under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 609.

The Senate has appointed as such committee:

Messrs. Frederickson, D. R.; Luther 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. 1549, A resolution memorializing the President and the Congress of the United States to take action to alleviate the crisis in the Midwest dairy industry.

The Senate has appointed as such committee:

Messrs. Sams, Bertram and Davis.

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. 1179, A bill for an act relating to metropolitan government; directing the metropolitan council to conduct a study.

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. 924, A bill for an act relating to utilities; authorizing the public utilities commission to allow recovery of expenses associated with economic and community development; amending Minnesota Statutes 1990, section 216B.16, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Kelso moved that the House concur in the Senate amendments to H. F. No. 924 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 924, A bill for an act relating to utilities; authorizing the public utilities commission to allow recovery of expenses associated with economic and community development; amending Minnesota Statutes 1990, section 216B.16, 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	Frederick	Kalis	O'Connor	Skoglund
Anderson, I.	Frerichs	Kelso	Olsen, S.	Smith
Anderson, R.	Garcia	Knickerbocker	Olson, E.	Solberg
Anderson, R. H.	Girard	Koppendrayer	Olson, K.	Sparby
Battaglia	Goodno	Krinkie	Omam	Stanius
Bauerly	Greenfield	Krueger	Orenstein	Steensma
Beard	Gruenes	Lasley	Orfield	Sviggum
Begich	Gutknecht	Leppik	Osthoff	Swenson
Bertram	Hanson	Lieder	Ostrom	Tompkins
Bettermann	Hartle	Limmer	Ozment	Trimble
Blatz	Hasskamp	Long	Pauly	Tunheim
Bodahl	Haukoos	Lourey	Pellow	Uphus
Boo	Hausman	Lynch	Pelowski	Valento
Brown	Heir	Macklin	Peterson	Vellenga
Carlson	Henry	Mariani	Pugh	Wagenius
Carruthers	Hufnagle	Marsh	Reding	Waltman
Clark	Hugoson	McEachern	Rice	Weaver
Cooper	Jacobs	McGuire	Rodosovich	Wejzman
Dauner	Janezich	McPherson	Rukavina	Welker
Dauids	Jaros	Milbert	Runbeck	Welle
Dawkins	Jefferson	Morrison	Sarna	Wenzel
Dempsey	Jennings	Munger	Schafer	Winter
Dille	Johnson, A.	Murphy	Scheid	Spk. Vanasek
Dorn	Johnson, R.	Nelson, K.	Schreiber	
Erhardt	Johnson, V.	Nelson, S.	Seaberg	
Farrell	Kahn	Newinski	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. 425, A bill for an act relating to state lands; directing sale of two tracts of state-owned land in St. Louis county.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Begich moved that the House concur in the Senate amendments to H. F. No. 425 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 425, A bill for an act relating to state lands; requiring the sale of two tracts of state-owned land in St. Louis county; authorizing the conveyance of state land to the city of Anoka; authorizing the sale of certain tax-forfeited lands that border public water in Cass county; authorizing the conveyance of and easement across certain Southwest State University land; authorizing a land exchange between the city of St. Cloud and the state university board; authorizing the sale of certain land in Faribault county.

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

The question was taken on the repassage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Farrell	Kahn	Newinski	Seaberg
Anderson, I.	Frederick	Kalis	O'Connor	Segal
Anderson, R.	Frerichs	Kelso	Olsen, S.	Skoglund
Anderson, R. H.	Garcia	Knickerbocker	Olson, E.	Smith
Battaglia	Girard	Koppendrayner	Olson, K.	Solberg
Bauerly	Goodno	Krinkie	Omann	Sparby
Beard	Greenfield	Krueger	Onnen	Stanius
Begich	Gruenes	Lasley	Orenstein	Steenasma
Bertram	Gutknecht	Leppik	Orfield	Swiggum
Bettermann	Hanson	Lieder	Osthoff	Swenson
Bishop	Hartle	Limmer	Ostrom	Tompkins
Blatz	Hasskamp	Long	Ozment	Trimble
Bodahl	Haukoos	Lourey	Pauly	Tunheim
Boo	Hausman	Lynch	Pellow	Uphus
Brown	Heir	Macklin	Pelowski	Valento
Carlson	Henry	Mariani	Peterson	Vellenga
Carruthers	Hufnagle	Marsh	Pugh	Wagenius
Clark	Hugoson	McEachern	Reding	Waltman
Cooper	Jacobs	McGuire	Rice	Weaver
Dauner	Janezich	McPherson	Rodosovich	Wejeman
Davids	Jaros	Milbert	Rukavina	Welker
Dawkins	Jefferson	Morrison	Runbeck	Welle
Dempsey	Jennings	Munger	Sarna	Wenzel
Dille	Johnson, A.	Murphy	Schafer	Winter
Dorn	Johnson, R.	Nelson, K.	Scheid	Spk. Vanasek
Erhardt	Johnson, V.	Nelson, S.	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. 609, A bill for an act relating to veterans; authorizing the veterans homes board to rent certain facilities; authorizing expenditures of money; amending Minnesota Statutes 1990, section 198.003.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Boo moved that the House concur in the Senate amendments to H. F. No. 609 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 609, A bill for an act relating to veterans; authorizing the veterans homes board to rent certain facilities; authorizing expenditures of money; amending Minnesota Statutes 1990, section 198.003.

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	Frederick	Kelso	Olsen, S.	Smith
Anderson, I.	Frerichs	Kinkel	Olson, E.	Solberg
Anderson, R.	Garcia	Knickerbocker	Olson, K.	Sparby
Anderson, R. H.	Girard	Koppendrayer	Omann	Stanius
Battaglia	Goodno	Krinkie	Onnen	Steenasma
Bauerly	Greenfield	Krueger	Orenstein	Sviggum
Beard	Gruenes	Lasley	Orfield	Swenson
Begich	Gutknecht	Leppik	Osthoff	Thompson
Bertram	Hanson	Lieder	Ostrom	Tompkins
Bettermann	Hartle	Limmer	Ozment	Trimble
Bishop	Hasskamp	Long	Pauly	Tunheim
Blatz	Haukoos	Lourey	Pellow	Uphus
Bodahl	Hausman	Lynch	Pelowski	Valento
Boo	Heir	Macklin	Peterson	Vellenga
Brown	Henry	Mariani	Pugh	Wagenius
Carlson	Hufnagle	Marsh	Reding	Waltman
Carruthers	Hugoson	McEachern	Rice	Weaver
Clark	Jacobs	McGuire	Rodosovich	Wejcman
Cooper	Janezich	McPherson	Rukavina	Welker
Dauner	Jaros	Milbert	Runbeck	Welle
Dauids	Jefferson	Morrison	Sarna	Wenzel
Dawkins	Jennings	Munger	Schafer	Winter
Dempsey	Johnson, A.	Murphy	Scheid	Spk. Vanasek
Dille	Johnson, R.	Nelson, K.	Schreiber	
Dorn	Johnson, V.	Nelson, S.	Seaberg	
Erhardt	Kahn	Newinski	Segal	
Farrell	Kalis	O'Connor	Skoglund	

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. 118, A bill for an act relating to occupational safety and health; honoring workers fatally injured while working on public projects; proposing coding for new law in Minnesota Statutes, chapter 182.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Trimble moved that the House concur in the Senate amendments to H. F. No. 118 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 118, A bill for an act relating to occupational safety and health; honoring workers killed while working on public projects; proposing coding for new law in Minnesota Statutes, chapter 182.

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

The question was taken on the repassage of the bill and the roll was called. There were 129 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abrams	Farrell	Kahn	O'Connor	Segal
Anderson, I.	Frederick	Kalis	Olsen, S.	Skoglund
Anderson, R.	Frerichs	Kelso	Olson, E.	Smith
Anderson, R. H.	Garcia	Kinkel	Olson, K.	Solberg
Battaglia	Girard	Koppendrayer	Omann	Sparby
Bauerly	Goodno	Krinkie	Onnen	Stanius
Beard	Greenfield	Krueger	Orenstein	Steensma
Begich	Gruenes	Lasley	Orfield	Sviggum
Bertram	Gutknecht	Leppik	Osthoff	Swenson
Bettermann	Hanson	Lieder	Ostrom	Thompson
Bishop	Hartle	Limmer	Ozment	Tompkins
Blatz	Hasskamp	Long	Pauly	Trimble
Bodahl	Haukoos	Lourey	Pellow	Tunheim
Boo	Hausman	Lynch	Pelowski	Uphus
Brown	Heir	Macklin	Peterson	Valento
Carlson	Henry	Mariani	Pugh	Vellenga
Carruthers	Hufnagle	Marsh	Reding	Wagenius
Clark	Hugoson	McEachern	Rice	Waltman
Cooper	Jacobs	McGuire	Rodosovich	Weaver
Dauner	Janezich	McPherson	Rukavina	Wejcmann
Dauids	Jaros	Milbert	Runbeck	Welker
Dawkins	Jefferson	Munger	Sarna	Welle
Dempsey	Jennings	Murphy	Schafer	Wenzel
Dille	Johnson, A.	Nelson, K.	Scheide	Winter
Dorn	Johnson, R.	Nelson, S.	Schreiber	Spk. Vanasek
Erhardt	Johnson, V.	Newinski	Seaberg	

Those who voted in the negative were:

Knickerbocker Morrison

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. 499, A bill for an act relating to education; providing for flagging of school records of missing children; proposing coding for new law in Minnesota Statutes, chapter 120.

PATRICK E. FLAHAVERN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

O'Connor moved that the House concur in the Senate amendments to H. F. No. 499 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 499, A bill for an act relating to education; requiring school districts to flag the school records of missing pupils; proposing coding for new law in Minnesota Statutes, chapter 123.

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	Farrell	Kahn	Nelson, S.	Seaberg
Anderson, I.	Frederick	Kalis	Newinski	Segal
Anderson, R.	Frerichs	Kelso	O'Connor	Skoglund
Anderson, R. H.	Garcia	Kinkel	Olsen, S.	Smith
Battaglia	Girard	Knickerbocker	Olson, E.	Solberg
Bauerly	Goodno	Koppendrayer	Olson, K.	Sparby
Beard	Greenfield	Krinkie	Omann	Stanius
Begich	Gruenes	Krueger	Onnen	Steensma
Bertram	Gutknecht	Lasley	Orenstein	Sviggum
Bettermann	Hanson	Leppik	Orfield	Swenson
Bishop	Hartle	Lieder	Osthoff	Thompson
Blatz	Hasskamp	Limmer	Ostrom	Tompkins
Bodahl	Haukoos	Long	Ozment	Trimble
Boo	Hausman	Lourey	Pauly	Tunheim
Brown	Heir	Lynch	Pelowski	Uphus
Carlson	Henry	Macklin	Peterson	Valento
Carruthers	Hufnagle	Mariani	Pugh	Vellenga
Clark	Hugoson	Marsh	Reding	Wagenius
Cooper	Jacobs	McEachern	Rice	Waltman
Dauner	Janezich	McGuire	Rodosovich	Weaver
Davids	Jaros	McPherson	Rukavina	Wejman
Dawkins	Jefferson	Milbert	Runbeck	Welker
Dempsey	Jennings	Morrison	Sarna	Welle
Dille	Johnson, A.	Munger	Schafer	Wenzel
Dorn	Johnson, R.	Murphy	Scheid	Winter
Erhardt	Johnson, V.	Nelson, K.	Schreiber	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. 205, A bill for an act relating to insurance; prohibiting discrimination against American military personnel; amending Minnesota Statutes 72A.20, subdivision 8.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Skoglund moved that the House concur in the Senate amendments to H. F. No. 205 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 205, A bill for an act relating to insurance; prohibiting discrimination against American military personnel; amending Minnesota Statutes 72A.20, subdivision 8.

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 3 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kinkel	Olsen, S.	Skoglund
Anderson, I.	Frerichs	Knickerbocker	Olson, E.	Smith
Anderson, R.	Garcia	Koppendrayer	Olson, K.	Solberg
Anderson, R. H.	Girard	Krinkie	Omann	Sparby
Battaglia	Goodno	Krueger	Onnen	Stanius
Bauerly	Gruenes	Lasley	Orenstein	Steenma
Beard	Gutknecht	Leppik	Orfield	Sviggum
Begich	Hanson	Lieder	Osthoff	Swenson
Bertram	Hartle	Limmer	Ostrom	Thompson
Bettermann	Hasskamp	Long	Ozment	Tompkins
Bishop	Hausman	Lourey	Pauly	Trimble
Blatz	Heir	Lynch	Pellow	Tunheim
Bodahl	Henry	Macklin	Pelowski	Uphus
Boo	Hufnagle	Mariani	Peterson	Valento
Brown	Hugoson	Marsh	Pugh	Vellenga
Carlson	Jacobs	McEachern	Reding	Wagenius
Carruthers	Janezich	McGuire	Rice	Waltman
Clark	Jaros	McPherson	Rodosovich	Weaver
Cooper	Jefferson	Milbert	Rukavina	Wejcman
Dauner	Jennings	Morrison	Runbeck	Welle
Davids	Johnson, A.	Munger	Sarna	Wenzel
Dawkins	Johnson, R.	Murphy	Schafer	Winter
Dempsey	Johnson, V.	Nelson, K.	Scheid	Spk. Vanasek
Dille	Kahn	Nelson, S.	Schreiber	
Dorn	Kalis	Newinski	Seaberg	
Farrell	Kelso	O'Connor	Segal	

Those who voted in the negative were:

Erhardt Haukoos Welker

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. 1125, A bill for an act relating to law enforcement; authorizing the Mille Lacs Band of Chippewa Indians to exercise law enforcement authority within the Mille Lacs Reservation and certain trust lands; proposing coding for new law in Minnesota Statutes, chapter 626.

PATRICK E. FLAHAVEN, *Secretary of the Senate*

CONCURRENCE AND REPASSAGE

Koppendrayer moved that the House concur in the Senate amendments to H. F. No. 1125 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1125, A bill for an act relating to law enforcement; authorizing the Mille Lacs Band of Chippewa Indians to exercise law enforcement authority within the Mille Lacs Reservation and certain trust lands; proposing coding for new law in Minnesota Statutes, chapter 626.

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	Blatz	Dempsey	Gutknecht	Janezich
Anderson, I.	Bodahl	Dille	Hanson	Jaros
Anderson, R.	Boo	Dorn	Hartle	Jefferson
Anderson, R. H.	Brown	Erhardt	Hasskamp	Jennings
Battaglia	Carlson	Farrell	Haukoos	Johnson, A.
Bauerly	Carruthers	Frederick	Hausman	Johnson, R.
Beard	Clark	Frerichs	Heir	Johnson, V.
Begich	Cooper	Garcia	Henry	Kahn
Bertram	Dauner	Girard	Hufnagle	Kalis
Bettermann	Davids	Goodno	Hugoson	Kelso
Bishop	Dawkins	Gruenes	Jacobs	Kinkel

Knickerbocker	McGuire	Orenstein	Sarna	Tompkins
Koppendrayner	McPherson	Orfield	Schafer	Trimble
Krinkie	Milbert	Osthoff	Scheid	Tunheim
Krueger	Morrison	Ostrom	Schreiber	Uphus
Lasley	Munger	Ozment	Seaberg	Valento
Leppik	Murphy	Pauly	Segal	Vellenga
Lieder	Nelson, K.	Pellow	Skoglund	Wagenius
Limmer	Nelson, S.	Pelowski	Smith	Waltman
Long	Newinski	Peterson	Solberg	Weaver
Lourey	O'Connor	Pugh	Sparby	Wejman
Lynch	Olsen, S.	Reding	Stanisus	Welker
Macklin	Olson, E.	Rice	Steenasma	Welle
Mariani	Olson, K.	Rodosovich	Sviggum	Wenzel
Marsh	Omman	Rukavina	Swenson	Winter
McEachern	Onnen	Runbeck	Thompson	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. 786, A bill for an act relating to contracts; providing for enforcement of certain contracts; making technical changes; correcting inconsistencies; clarifying certain provisions; amending Minnesota Statutes 1990, section 325E.37.

PATRICK E. FLAHAVERN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Blatz moved that the House concur in the Senate amendments to H. F. No. 786 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 786, A bill for an act relating to contracts; providing for enforcement of certain contracts; making technical changes; correcting inconsistencies; clarifying certain provisions; amending Minnesota Statutes 1990, section 325E.37.

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	Anderson, R. H.	Beard	Bettermann	Bodahl
Anderson, I.	Battaglia	Begich	Bishop	Boo
Anderson, R.	Bauerly	Bertram	Blatz	Brown

Carlson	Haukoos	Leppik	Omann	Smith
Carruthers	Hausman	Lieder	Onnen	Solberg
Clark	Heir	Limmer	Orenstein	Sparby
Cooper	Henry	Long	Orfield	Stanius
Dauner	Hufnagle	Lourey	Osthoff	Steensma
Davids	Hugoson	Lynch	Ostrom	Sviggum
Dawkins	Jacobs	Macklin	Ozment	Swenson
Dempsey	Janezich	Mariani	Pauly	Thompson
Dille	Jaros	Marsh	Pellow	Tompkins
Dorn	Jefferson	McEachern	Pelowski	Trimble
Erhardt	Jennings	McGuire	Peterson	Tunheim
Farrell	Johnson, A.	McPherson	Pugh	Uphus
Frederick	Johnson, R.	Milbert	Rice	Valento
Frerichs	Johnson, V.	Morrison	Rodosovich	Vellenga
Garcia	Kahn	Munger	Rukavina	Wagenius
Girard	Kalis	Murphy	Runbeck	Waltman
Goodno	Kelso	Nelson, K.	Sarna	Weaver
Greenfield	Kinkel	Nelson, S.	Schafer	Wejcman
Gruenes	Knickerbocker	Newinski	Scheid	Welker
Gutknecht	Koppendrayner	O'Connor	Schreiber	Welle
Hanson	Krinkie	Olsen, S.	Seaberg	Wenzel
Hartle	Krueger	Olson, E.	Segal	Winter
Hasskamp	Lasley	Olson, K.	Skoglund	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. 1299, A bill for an act relating to agriculture; abolishing refund of checkoff fee paid by paddy wild rice producers; changing the definition of restricted seed potato growing area; amending Minnesota Statutes 1990, sections 17.63; and 21.1196, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Tunheim moved that the House concur in the Senate amendments to H. F. No. 1299 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1299, A bill for an act relating to agriculture; abolishing refund of checkoff fee paid by paddy wild rice producers; amending Minnesota Statutes 1990, section 17.63.

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	Frederick	Kelso	Olsen, S.	Smith
Anderson, I.	Frerichs	Kinkel	Olson, E.	Solberg
Anderson, R.	Garcia	Knickerbocker	Olson, K.	Sparby
Anderson, R. H.	Girard	Koppendrayer	Omann	Stanius
Battaglia	Goodno	Krinkie	Onnen	Steensma
Bauerly	Greenfield	Krueger	Orenstein	Sviggum
Beard	Gruenes	Lasley	Orfield	Swenson
Begich	Gutknecht	Leppik	Osthoff	Thompson
Bertram	Hanson	Lieder	Ostrom	Tompkins
Bettermann	Hartle	Limmer	Ozment	Trimble
Bishop	Hasskamp	Long	Pauly	Tunheim
Blatz	Haukoos	Lourey	Pellow	Uphus
Bodahl	Hausman	Lynch	Pelowski	Valento
Boo	Heir	Macklin	Peterson	Vellenga
Brown	Henry	Mariani	Pugh	Wagenius
Carlson	Hufnagle	Marsh	Reding	Waltman
Carruthers	Hugoson	McEachern	Rice	Weaver
Clark	Jacobs	McGuire	Rodosovich	Wejcmán
Cooper	Janezich	McPherson	Rukavina	Welker
Dauner	Jaros	Milbert	Runbeck	Welle
Davids	Jefferson	Morrison	Sarna	Wenzel
Dawkins	Jennings	Munger	Schafer	Winter
Dempsey	Johnson, A.	Murphy	Scheid	Spk. Vanasek
Dille	Johnson, R.	Nelson, K.	Schreiber	
Dorn	Johnson, V.	Nelson, S.	Seaberg	
Erhardt	Kahn	Newinski	Segal	
Farrell	Kalis	O'Connor	Skoglund	

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. 20, A bill for an act relating to insurance; requiring insurers to furnish a summary of claims review findings; proposing coding for new law in Minnesota Statutes, chapter 72A.

PATRICK E. FLAHAVER, Secretary of the Senate

Winter moved that the House refuse to concur in the Senate amendments to H. F. No. 20, 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. 1050, A bill for an act relating to state government; requiring certain notice of proposed executive reorganization orders; permitting the commissioner of administration to lease land to a political subdivision under some circumstances; amending Minnesota Statutes 1990, sections 16B.24, subdivision 6; and 16B.37, subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

Orfield moved that the House refuse to concur in the Senate amendments to H. F. No. 1050, 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. 202, A bill for an act relating to public employees; defining the term "employee" for the purpose of the public employees labor relations act; providing for a leave of absence from public office or to employment without pay for certain elected officials; amending Minnesota Statutes 1990, sections 3.088, subdivision 1; 179A.03, subdivision 14.

PATRICK E. FLAHAVEN, Secretary of the Senate

Rukavina moved that the House refuse to concur in the Senate amendments to H. F. No. 202, 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. 459, A bill for an act relating to crimes; providing that a claimant in a forfeiture proceeding does not have to pay a filing fee; providing for appointment of qualified interpreters in forfeiture

proceedings; amending Minnesota Statutes 1990, sections 609.5314, subdivisions 2 and 3; 611.31; and 611.32.

PATRICK E. FLAHAVEN, Secretary of the Senate

Greenfield moved that the House refuse to concur in the Senate amendments to H. F. No. 459, 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. 606, A bill for an act relating to transportation; authorizing state departments to cancel uncollectible debts up to \$200 in certain cases; allowing department of transportation to employ debt collection services; allowing department of transportation to make direct expenditures from state aid funds for administrative expenses; providing penalty for failure to pay fee for sign permit more than 30 days after fee is due; providing when estimates of certain construction projects are nonpublic data; directing the commissioner of transportation to adopt rules governing the location and break-away standards for mailbox installations; allowing white strobe lamps to be used on highway maintenance vehicles; authorizing exchange of lands with Grand Portage Band of Chippewa Indians; abolishing conflicting requirements related to market artery highways; adding a route and changing the description of a route in the state highway system; providing a penalty; amending Minnesota Statutes 1990, sections 10.12; 13.72, subdivision 1; 161.20, subdivision 4; 162.06, subdivision 2; 162.12, subdivision 2; 169.64, by adding a subdivision; and 173.13, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 169; repealing Minnesota Statutes 1990, section 169.833.

PATRICK E. FLAHAVEN, Secretary of the Senate

Brown moved that the House refuse to concur in the Senate amendments to H. F. No. 606, 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. 1, A bill for an act relating to waters; establishing a program for the enhancement, preservation, and protection of wetlands within the state; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 103A.201; 103B.311, subdivision 6; 103E.701, by adding a subdivision; 103G.005, subdivisions 15 and 18, and by adding subdivisions; 103G.221, subdivision 1; 103G.231, by adding subdivisions; and 446A.12, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 84; 103F; and 103G; repealing Minnesota Statutes 1990, section 103G.221, subdivisions 2 and 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

Munger moved that the House refuse to concur in the Senate amendments to H. F. No. 1, 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. 317, A bill for an act relating to marriage dissolution; clarifying procedure for modification of certain custody orders; providing for additional child support payments; providing an alternative form of satisfaction of child support obligation; imposing a fiduciary duty and providing for compensation in cases of breach of that duty; clarifying certain mediation procedures; providing for attorneys' fees in certain cases; clarifying language concerning certain motions; imposing penalties; amending Minnesota Statutes 1990, sections 518.18; 518.551, subdivision 5; 518.57, by adding a subdivision; 518.58, subdivision 1, and by adding a subdivision; 518.619, subdivision 6; 518.64, subdivision 2; and 518.641, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 518.

PATRICK E. FLAHAVEN, Secretary of the Senate

Wagenius moved that the House refuse to concur in the Senate amendments to H. F. No. 317, 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. 958, A bill for an act relating to agriculture; providing for development of aquaculture; amending Minnesota Statutes 1990, section 17.49; proposing coding for new law in Minnesota Statutes, chapter 17.

PATRICK E. FLAHAVEN, Secretary of the Senate

Long moved that the House refuse to concur in the Senate amendments to H. F. No. 958, 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. 621, A bill for an act relating to the environment; clarifying and correcting provisions relating to the legislative commission on Minnesota resources and the Minnesota environmental and natural resources trust fund; amending Minnesota Statutes 1990, sections 116P.04, subdivision 5; 116P.05; 116P.06; 116P.07; 116P.08, subdivisions 3 and 4; 116P.09, subdivisions 2, 4, and 7.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Dahl, Merriam and Renneke.

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

Kahn 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. 621. The motion prevailed.

Mr. Speaker:

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

S. F. Nos. 559, 786, 806, 174, 300, 432, 565, 720, 1474, 371 and 506.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 559, A bill for an act relating to motor fuels; requiring the sale of oxygenated gasoline; changing a requirement for the agricultural alcohol gasoline tax reduction; amending Minnesota Statutes 1990, sections 239.76, by adding a subdivision; 296.01, by adding a subdivision; and 296.02, subdivision 8.

The bill was read for the first time.

Peterson moved that S. F. No. 559 and H. F. No. 552, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 786, A bill for an act relating to agriculture; making changes in the plant and animal pest control act; amending Minnesota Statutes 1990, sections 18.46, subdivisions 6, 9, and by adding a subdivision; 18.49, subdivision 2; 18.51; 18.52, subdivisions 1, 2, and 5; 18.54, subdivision 2; 18.55; 18.56; 18.57; and 18.60.

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

S. F. No. 806, A bill for an act relating to public safety; repealing sunset provision relating to position of public fire safety educator; repealing Laws 1989, chapter 322, section 7.

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

S. F. No. 174, A bill for an act relating to education; revising certain open enrollment deadlines; amending Minnesota Statutes 1990, section 120.062, subdivisions 4 and 6.

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

S. F. No. 300, A bill for an act relating to health; clarifying requirements for licensing psychologists and psychological practitioners; describing duties of the board of psychology; establishing requirements for the independent practice of psychology; amending Minnesota Statutes 1990, sections 62A.152, subdivisions 2 and 3; 148.88; 148.89; 148.90; 148.91; 148.93; 148.95; 148.96; 148.97, subdivision 1; 148.98; and 253B.02, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 148; repealing Minnesota Statutes 1990, sections 148.92; and 148.97, subdivision 4.

The bill was read for the first time.

Pugh moved that S. F. No. 300 and H. F. No. 313, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 432, A bill for an act relating to employment; regulating certain construction bids; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 181.

The bill was read for the first time.

Rice moved that S. F. No. 432 and H. F. No. 474, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 565, A bill for an act relating to civil actions; regulating recovery for economic loss arising from the sales of goods; amending Minnesota Statutes 1990, section 336.2-725; proposing coding for new law in Minnesota Statutes, chapter 604.

The bill was read for the first time.

Brown moved that S. F. No. 565 and H. F. No. 592, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 720, A bill for an act relating to housing and economic development; modifying procedures relating to rent escrow actions; modifying procedures relating to the tenant's loss of essential services; modifying provisions relating to tenant remedy actions, retaliatory eviction proceedings, and receivership proceedings; modifying provisions relating to Minnesota housing finance agency low- and moderate-income housing programs; requiring counseling for reverse mortgage loans; modifying certain receivership, assignment of rents and profits, and landlord and tenant provisions; modifying provisions relating to housing and redevelopment authorities; providing for the issuance of general obligation bonds for housing by

the cities of Minneapolis and St. Paul; authorizing the city of Minneapolis to make small business loans; authorizing certain economic development activities within the city of St. Paul; excluding housing districts from the calculation of local government aid reductions; modifying the interest rate reduction program; appropriating money; amending Minnesota Statutes 1990, sections 47.58, by adding a subdivision; 268.39; 273.1399, subdivision 1; 462A.03, subdivisions 10, 13, and 16; 462A.05, subdivision 20, and by adding a subdivision; 462A.08, subdivision 2; 462A.21, subdivisions 4k, 12a, and 14; 462A.22, subdivision 9; 462A.222, subdivision 3; 462C.03, subdivision 10; 469.002, subdivision 24; 469.011, subdivision 4; 469.012, subdivisions 1 and 3; 469.015, subdivisions 3, 4, and by adding a subdivision; 469.176, subdivision 4f; 474A.048, subdivision 2; 481.02, subdivision 3; 504.02; 504.18, subdivision 1; 504.185, subdivision 2; 504.20, subdivisions 3, 4, 5, and 7; 504.27; 559.17, subdivision 2; 566.03, subdivision 1; 566.17, by adding a subdivision; 566.175, subdivision 6; 566.18, subdivision 9; 566.29, subdivisions 2 and 4; and 576.01, subdivision 2; Laws 1974, chapter 285, section 4, as amended; Laws 1987, chapter 404, section 28, subdivision 1; Laws 1988, chapter 594, section 6; Laws 1989, chapter 335, article 1, section 27, subdivision 1, as amended; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1990, section 462A.05, subdivisions 28 and 29.

The bill was read for the first time.

Clark moved that S. F. No. 720 and H. F. No. 1002, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1474, A bill for an act relating to occupations and professions; barber registration; clarifying registration requirements for barbers, apprentices, and instructors; expanding causes for discipline; providing for summary suspension; amending Minnesota Statutes 1990, sections 154.01; 154.03; 154.04; 154.05; 154.06; 154.065, subdivisions 2 and 4; 154.07, subdivisions 1, 3, 5, 6, and by adding a subdivision; 154.09; 154.10; 154.11; 154.12; 154.14; 154.15; 154.16; 154.18; and 154.22; proposing coding for new law in Minnesota Statutes, chapter 154; repealing Minnesota Statutes 1990, sections 154.065, subdivisions 1, 3, 5, 7, and 8; 154.07, subdivision 2; 154.085; 154.13; and 154.17.

The bill was read for the first time.

Rukavina moved that S. F. No. 1474 and H. F. No. 1528, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 371, A bill for an act relating to crimes; child abduction;

requiring certain convicted sex and kidnapping offenders to report a current address to probation officer following release from prison; requiring the publication of missing children bulletins; requiring training concerning the investigation of missing children cases; providing law enforcement officers access to medical and dental records of missing children; amending restrictions on felony prosecutions for taking, detaining, or failing to return a child; appropriating money; amending Minnesota Statutes 1990, sections 299C.52, subdivisions 1, 3, and 6; 609.115, by adding a subdivision; and 609.26, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 243 and 299C.

The bill was read for the first time.

Vellenga moved that S. F. No. 371 and H. F. No. 416, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 506, A bill for an act relating to lawful gambling; lotteries; providing for teleracing and its operation and regulation; expanding requirements relating to compulsive gambling; exempting lawful gambling profits from the tax on unrelated business income; regulating manufacturers and distributors of gambling devices; changing certain requirements relating to record keeping, reports, audits, and expenditures of gambling profits by licensed gambling organizations; modifying certain licensing, training, and operating requirements for licensed gambling organizations; changing requirements relating to posting of pull-tab winners; authorizing the director of the lottery to enter into joint lotteries outside the United States; expanding certain provisions relating to lottery retailers; designating certain data on lottery prize winners as private; changing requirements relating to lottery advertising; clarifying the prohibitions on video games of chance and lotteries; authorizing dissemination of information about lotteries conducted by adjoining states; imposing surcharges on lawful gambling premises permit fees; establishing a task force on compulsive gambling assessments; appropriating money; amending Minnesota Statutes 1990, sections 240.01, subdivisions 1, 10, and by adding subdivisions; 240.02, subdivision 3; 240.03; 240.05, subdivision 1; 240.06, subdivision 1; 240.09, subdivision 2; 240.10; 240.11; 240.13, subdivisions 1, 2, 3, 4, 5, 6, and 8; 240.15, subdivision 6; 240.16, subdivision 1a; 240.18; 240.19; 240.23; 240.24, subdivision 2; 240.25; 240.27; 240.28, subdivision 1; 240.29; 245.98, by adding a subdivision; 290.05, subdivision 3; 290.92, subdivision 27; 299L.01, subdivision 1; 349.12, subdivision 25, and by adding subdivisions; 349.15; 349.151, subdivision 4; 349.154, subdivision 2; 349.16, subdivision 3; 349.165, subdivisions 1 and 3; 349.167, subdivisions 1, 2, and 4; 349.17, subdivision 5; 349.172; 349.18, subdivision 1; 349.19, subdivisions 2, 5, 9, and by adding subdivisions; 349A.02, subdivision 3; 349A.06, subdivisions 3, 5, and 11; 349A.08, by adding a subdivi-

sion; 349A.09, subdivision 2; 349A.10, subdivision 3; 609.115, by adding a subdivision; 609.75, subdivisions 1, 4, and by adding a subdivision; 609.755; 609.76, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 240; and 299L, repealing Minnesota Statutes 1990, sections 240.01, subdivision 13; 240.13, subdivision 6a; 240.14; subdivision 1a; 349.154, subdivision 3; 349A.02, subdivision 5; and 349A.03, 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, Osthoff moved that the rule therein be suspended and an urgency be declared so that S. F. No. 506 be given its second and third readings and be placed upon its final passage.

A roll call was requested and properly seconded.

The question was taken on the Osthoff motion and the roll was called. There were 108 yeas and 17 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Johnson, V.	Murphy	Scheid
Anderson, I.	Erhardt	Kahn	Nelson, S.	Schreiber
Anderson, R.	Frederick	Kalis	O'Connor	Segal
Anderson, R. H.	Frerichs	Kelso	Olsen, S.	Smith
Battaglia	Garcia	Kinkel	Olsen, E.	Solberg
Bauerly	Girard	Knickerbocker	Olsen, K.	Sparby
Beard	Greenfield	Koppendrayner	Omann	Stanius
Begich	Gruenes	Krinkie	Onnen	Steensma
Bertram	Hanson	Lasley	Orenstein	Sviggum
Bettermann	Hartle	Leppik	Osthoff	Swenson
Bishop	Hasskamp	Lieder	Ostrom	Thompson
Blatz	Heir	Lourey	Ozment	Trimble
Bodahl	Henry	Lynch	Pauly	Tunheim
Boo	Hufnagle	Macklin	Pellow	Uphus
Brown	Hugoson	Mariani	Pelowski	Valento
Carlson	Jacobs	Marsh	Peterson	Waltman
Carruthers	Janezich	McEachern	Pugh	Wejcman
Cooper	Jaros	McGuire	Reding	Welker
Dauner	Jefferson	McPherson	Rukavina	Winter
Davids	Jennings	Milbert	Runbeck	Spk. Vanasek
Dawkins	Johnson, A.	Morrison	Sarna	
Dempsey	Johnson, R.	Munger	Schafer	

Those who voted in the negative were:

Clark	Krueger	Orfield	Tompkins	Welle
Goodno	Limmer	Rodosovich	Vellenga	
Gutknecht	Nelson, K.	Seaberg	Wagenius	
Haukoos	Newinski	Skoglund	Weaver	

The motion prevailed.

Osthoff moved that the Rules of the House be so far suspended that S. F. No. 506 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 506 was read for the second time.

The Speaker called Bauerly to the Chair.

Osthoff moved to amend S. F. No. 506, as follows:

Page 24, after line 4, delete article 2 and insert:

"ARTICLE 2
MISCELLANEOUS

Section 1. Minnesota Statutes 1990, section 3.9221, subdivision 2, is amended to read:

Subd. 2. [NEGOTIATIONS AUTHORIZED.] (a) The governor or the governor's designated representatives shall, may enter into tribal-state compacts pursuant to section 11 of the act, negotiate in good faith a tribal-state compact regulating to regulate the conduct of class III gambling gaming, as defined in section 4 of the act, on Indian lands of a tribe requesting negotiations. The agreement compact may include any provision authorized under section 11(d)(3)(C) of the act.

(b) Tribal-state compacts under this section must be negotiated on behalf of the state by a committee of seven members, appointed as follows:

(1) the governor or a designee of the governor who shall serve as chair of the committee;

(2) three members appointed by the speaker of the house of representatives, including the chair of the house committee that oversees gaming regulation, one other member of the majority party, and one member of the minority party; and

(3) three members appointed by the senate committee on committees, including the chair of the senate committee that oversees gaming regulation, one member of the majority party, and one member of the minority party.

Members of the committee serve at the pleasure of the appointing authority. Vacancies on the committee must be filled by the appointing authority.

(c) The attorney general is the legal counsel for the governor or the governor's representatives committee in regard to negotiating a compact under this section.

Sec. 2. Minnesota Statutes 1990, section 240.02, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION.] The compensation of commission members is \$35 per day for time spent on commission activities, when authorized by the commission, is the same as the compensation provided for members of other boards and commissions under section 15.0575, subdivision 3, plus expenses in the same manner and amount as provided in the commissioner's plan adopted according to section 43A.18, subdivision 2.

Sec. 3. Minnesota Statutes 1990, section 240.09, subdivision 2, is amended to read:

Subd. 2. [OCCUPATIONAL LICENSES.] A person who participates in the management or conduct of horse racing or pari-mutuel betting for a county fair holding a class D license who is in an occupation listed in section 240.08, subdivision 1, or the rules of the commission must have a class C license from the commission except for active members, as defined in section 349.12, of nonprofit organizations who act without compensation as concession workers or pari-mutuel clerks.

Sec. 4. Minnesota Statutes 1990, section 240.18, is amended to read:

240.18 [BREEDERS' FUND.]

Subdivision 1. [ESTABLISHMENT; APPORTIONMENT.] The commission shall establish a Minnesota breeders' fund with the money paid to it under section 240.15, subdivision 1. The commission, after paying the current costs of administering the fund, shall apportion the remaining net proceeds into categories corresponding with the various breeds of horses which are racing at licensed Minnesota racetracks in proportion to each category's contribution to the fund and distribute the available net proceeds in each category as ~~follows:~~ provided in this section.

(1) Subd. 2. [THOROUGHBRED AND QUARTERHORSE CATEGORIES.] (a) With respect to available money apportioned in the thoroughbred and quarterhorse categories, 20 percent must be expended as ~~grants for equine research and related education at~~

public institutions of post-secondary learning within the state follows:

(1) at least one-half in the form of grants, contracts, or expenditures for equine research and related education at the University of Minnesota school of veterinary medicine; and

(2) the balance in the form of grants, contracts, or expenditures for one or more of the following:

(i) additional equine research and related education;

(ii) substance abuse programs for licensed personnel at racetracks in this state; and

(iii) promotion and public information regarding industry and commission activities; racehorse breeding, ownership, and management; and development and expansion of economic benefits from racing.

(b) As a condition of a grant, contract, or expenditure under paragraph (a), the commission shall require an annual report from the recipient on the use of the funds to the commission, the chair of the house of representatives committee on general legislation, veterans affairs, and gaming, and the chair of the senate committee on gaming regulation.

(c) The commission shall include in its annual report a summary of each grant, contract, or expenditure under paragraph (a), clause (2), and a description of how the commission has coordinated activities among recipients to insure the most efficient and effective use of funds.

(2) (d) After deducting the amount for paragraph (1) (a), the balance of the available proceeds in each category may be expended by the commission to:

(a) (1) supplement purses for races held exclusively for Minnesota-bred or Minnesota-foaled horses, and supplement purses for Minnesota-bred or Minnesota-foaled horses racing in nonrestricted races in that category;

(b) (2) pay breeders' or owners' awards to the breeders or owners of Minnesota-bred horses in that category which win money at licensed racetracks in the state; and

(c) (3) provide other financial incentives to encourage the horse breeding industry in Minnesota.

(3) Subd. 3. [STANDARD BRED CATEGORY.] (a) With respect to the available money apportioned in the standardbred category, 20 percent must be expended as follows:

(a) (1) one-half of that amount to supplement purses for standardbreds at non-pari-mutuel racetracks in the state;

(b) (2) one-fourth of that amount for the development of non-pari-mutuel standardbred tracks in the state; and

(c) (3) one-fourth of that amount as grants for equine research and related education at public institutions of post-secondary learning in the state.

(4) (b) After deducting the amount for paragraph (3) (a), the balance of the available proceeds in the standardbred category must be expended by the commission to:

(a) (1) supplement purses for races held exclusively for Minnesota-bred and Minnesota-foaled standardbreds;

(b) (2) pay breeders or owners awards to the breeders or owners of Minnesota-bred standardbreds which win money at licensed racetracks in the state; and

(c) (3) provide other financial incentives to encourage the horse breeding industry in Minnesota.

Subd. 4. [RULES; ADVISORY COMMITTEES.] The commission shall adopt rules governing the distribution of the fund. The commission may establish advisory committees to advise it on the distribution of money under this section, provided that the members of an advisory committee shall serve without compensation.

Sec. 5. Minnesota Statutes 1990, section 240.24, subdivision 2, is amended to read:

Subd. 2. [EXCEPTION.] Notwithstanding subdivision 1, the commission by rule shall allow the use of: (1) topical external applications that do not contain anesthetics or steroids; (2) food additives; (3) Furosemide or other pulmonary hemostatic agents if the agents are administered under the visual supervision of the veterinarian or ~~assistant~~ a designee of the veterinarian employed by the commission; and (4) nonsteroidal anti-inflammatory drugs, provided that the test sample does not contain more than three micrograms of the substance or metabolites thereof per milliliter of blood plasma. For purposes of this clause, "test sample" means any bodily substance including blood, urine, saliva, or other substance as directed by the commission, taken from a horse under the supervision of the

commission veterinarian and in such manner as prescribed by the commission for the purpose of analysis.

The commission shall adopt emergency rules to implement the provisions of this subdivision.

Sec. 6. Minnesota Statutes 1990, section 299L.01, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For the purposes of this chapter, the terms defined in this subdivision have the meanings given them.

(b) "Division" means the division of gambling enforcement.

(c) "Commissioner" means the commissioner of public safety.

(d) "Director" means the director of gambling enforcement.

(e) "Manufacturer" means a person who assembles from raw materials or subparts a gambling device for sale or use in Minnesota.

(f) "Distributor" means a person who sells, offers to sell, or otherwise provides a gambling device to a person in Minnesota.

Sec. 7. [299L.07] [GAMBLING DEVICES.]

Subdivision 1. [RESTRICTION.] A person may not manufacture, sell, offer to sell, or otherwise provide, in whole or in part, a gambling device as defined in sections 349.30, subdivision 2, and 609.75, subdivision 4, except that a gambling device may be:

(1) manufactured as provided in section 349.40;

(2) sold, offered for sale, or otherwise provided to a distributor licensed under subdivision 3; and

(3) sold, offered for sale, or otherwise provided to the governing body of a federally recognized Indian tribe that is authorized to operate the gambling device under a tribal-state compact under the Indian Gaming Regulatory Act, United States Code, title 25, sections 2701 to 2721.

Subd. 2. [LICENSE REQUIRED.] A person may not manufacture or distribute gambling devices without having obtained a license under this section.

Subd. 3. [LICENSE ISSUANCE.] The commissioner may issue a license under this section if the commissioner determines that the applicant will conduct the business in a manner that will not adversely affect the public health, welfare, and safety or be detrimental to the effective regulation and control of gambling. A license may not be issued under this section to a person, or a corporation, firm, or partnership that has an officer, director, or other person with a direct or indirect financial or management interest of five percent or more, who has ever:

- (1) been convicted of a felony;
- (2) been convicted of a crime involving gambling;
- (3) been connected with or engaged in an illegal business; or
- (4) had a license revoked or denied by another jurisdiction for a violation of law or rule related to gambling.

Subd. 4. [APPLICATION.] An application for a manufacturer's or distributor's license must be on a form prescribed by the commissioner and must, at a minimum, contain:

(1) the name and address of the applicant and, if it is a corporation, the names of all officers, directors, and shareholders with a financial interest of five percent or more;

(2) the names and addresses of any holding corporation, subsidiary, or affiliate of the applicant, without regard to whether the holding corporation, subsidiary, or affiliate does business in Minnesota; and

(3) if the applicant does not maintain a Minnesota office, an irrevocable consent statement signed by the applicant, stating that suits and actions relating to the subject matter of the application or acts of omissions arising from it may be commenced against the applicant in a court of competent jurisdiction in this state by service on the secretary of state of any summons, process, or pleadings authorized by the laws of this state. If any summons, process, or pleading is served upon the secretary of state, it must be by duplicate copies. One copy must be retained in the office of the secretary of state and the other copy must be forwarded immediately by certified mail to the address of the applicant, as shown on the application.

Subd. 5. [INVESTIGATION.] Before a manufacturer's or distributor's license is granted, the director may conduct a background and financial investigation of the applicant, including the applicant's sources of financing. The director may, or shall when required by law, require that fingerprints be taken and the director may forward

the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The director may charge an investigation fee to cover the cost of the investigation.

Subd. 6. [LICENSE FEE.] A license issued under this section is valid for one year. The annual fee for a license is \$5,000.

Subd. 7. [RENEWAL.] Upon making the same determination as in subdivision 3, the commissioner may renew a license issued under this section.

Subd. 8. [LICENSE SUSPENSION AND REVOCATION.] (a) The commissioner may suspend a license under this section for a violation of law or rule. The commissioner may revoke a license:

(1) for a violation of law or rule which, in the commissioner's opinion, adversely affects the integrity of gambling in Minnesota;

(2) for an intentional false statement in a license application; or

(3) if the licensee is the subject of a disciplinary proceeding in another jurisdiction which results in the revocation of a license.

A revocation or suspension is a contested case under sections 14.57 to 14.69.

(b) The commissioner may summarily suspend a license prior to a contested case hearing if the commissioner determines that a summary suspension is necessary to ensure the integrity of gambling. A contested case hearing must be held within 20 days of the summary suspension and the administrative law judge must issue a report within 20 days of the close of the hearing record. The commissioner shall issue a final decision within 30 days from receipt of the report of the administrative law judge and subsequent exceptions and argument under section 14.61.

Subd. 9. [TRANSPORTATION OF GAMBLING DEVICES.] In addition to the requirements of this section, the transportation of gambling devices into Minnesota must be in compliance with United States Code, title 15, sections 1171 to 1177, as amended.

Sec. 8. Minnesota Statutes 1990, section 349.12, is amended by adding a subdivision to read:

Subd. 3a. [ALLOWABLE EXPENSE.] "Allowable expense" means an expense directly related to the conduct of lawful gambling.

Sec. 9. Minnesota Statutes 1990, section 349.12, subdivision 25, is amended to read:

Subd. 25. (a) "Lawful purpose" means one or more of the following:

(1) any expenditure by or contribution to a 501(c)(3) organization, provided that the organization and expenditure or contribution are in conformity with standards prescribed by the board under section 349.154;

(2) a contribution to an individual or family suffering from poverty, homelessness, or physical or mental disability, which is used to relieve the effects of that poverty, homelessness, or disability;

(3) a contribution to an individual for treatment for delayed posttraumatic stress syndrome or a contribution to a recognized program for the treatment of compulsive gambling on behalf of an individual who is a compulsive gambler;

(4) a contribution to or expenditure on a public or private nonprofit educational institution registered with or accredited by this state or any other state;

(5) a contribution to a scholarship fund for defraying the cost of education to individuals where the funds are awarded through an open and fair selection process;

(6) activities by an organization or a government entity which recognize humanitarian or military service to the United States, the state of Minnesota, or a community, subject to rules of the board;

(7) recreational, community, and athletic facilities and activities intended primarily for persons under age 21, provided that such facilities and activities do not discriminate on the basis of gender, as evidenced by (i) provision of equipment and supplies, (ii) scheduling of activities, including games and practice times, (iii) supply and assignment of coaches or other adult supervisors, (iv) provision and availability of support facilities, and (v) whether the opportunity to participate reflects each gender's demonstrated interest in the activity, provided that nothing in this clause prohibits a contribution to or expenditure on an educational institution or other entity that is excepted from the prohibition against discrimination based on sex contained in the Higher Education Act Amendments of 1976, United States Code, title 20, section 1681;

(8) payment of local taxes authorized under this chapter, taxes imposed by the United States on receipts from lawful gambling, the tax imposed by section 349.212, subdivisions 1 and 4, and the tax imposed on unrelated business income by section 290.05, subdivision 3;

(9) payment of real estate taxes and assessments on licensed

gambling premises wholly owned by the licensed organization paying the taxes, not to exceed:

(i) the amount which an organization may expend under board rule on rent for premises used exclusively for lawful gambling bingo, or

(ii) \$12,000 per year for premises used for other forms of lawful gambling;

(10) a contribution to the United States, this state or any of its political subdivisions, or any agency or instrumentality thereof other than a direct contribution to a law enforcement or prosecutorial agency; or

(11) a contribution to or expenditure by a nonprofit organization, church, or body of communicants gathered in common membership for mutual support and edification in piety, worship, or religious observances; or

(12) payment of up to one-half of the reasonable costs of an audit required under section 349.19, subdivision 9.

(b) Notwithstanding paragraph (a), "lawful purpose" does not include:

(1) any expenditure made or incurred for the purpose of influencing the nomination or election of a candidate for public office or for the purpose of promoting or defeating a ballot question;

(2) any activity intended to influence an election or a governmental decision-making process;

(3) the erection, acquisition, improvement, expansion, repair, or maintenance of real property or capital assets owned or leased by an organization, except as provided in clause (6), unless the board has first specifically authorized the expenditures after finding that (i) the real property or capital assets will be used exclusively for one or more of the purposes in paragraph (a); (ii) with respect to expenditures for repair or maintenance only, that the property is or will be used extensively as a meeting place or event location by other nonprofit organizations or community or service groups and that no rental fee is charged for the use; (iii) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building, a building owned by the organization and destroyed or made uninhabitable by fire or natural disaster, provided that the expenditure may be only for that part of the replacement cost not reimbursed by insurance; or (iv) with respect to expenditures, including a mortgage payment or

other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building a building owned by the organization that was acquired from the organization by eminent domain or sold by the organization to a purchaser that the organization reasonably believed would otherwise have acquired the building by eminent domain, provided that the expenditure may be only for that part of the replacement cost that exceeds the compensation received by the organization for the building being replaced;

(4) an expenditure by an organization which is a contribution to a parent organization, foundation, or affiliate of the contributing organization, if the parent organization, foundation, or affiliate has provided to the contributing organization within one year of the contribution any money, grants, property, or other thing of value;

(5) a contribution by a licensed organization to another licensed organization unless the board has specifically authorized the contribution. The board must authorize such a contribution when requested to do so by the contributing organization unless it makes an affirmative finding that the contribution will not be used by the recipient organization for one or more of the purposes in paragraph (a); or

(6) the erection, acquisition, improvement, or expansion of real property or capital assets which will be used for one or more of the purposes in paragraph (a), clause (7), unless the organization making the expenditures notifies the board at least 15 days before making the expenditure.

Sec. 10. Minnesota Statutes 1990, section 349.12, is amended by adding a subdivision to read:

Subd. 30a. [PROFIT CARRYOVER.] "Profit carryover" means cumulative net profit less cumulative lawful purpose expenditures.

Sec. 11. Minnesota Statutes 1990, 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 60 percent of the gross profit less the tax imposed under section 349.212, subdivision 1, from bingo, and no more than 50 percent of the gross profit less the tax imposed by section 349.212, subdivision 6, from other forms of lawful gambling, 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 349.10, 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. 12. Minnesota Statutes 1990, 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 licenses to organizations, distributors, bingo halls, manufacturers, and gambling managers;

(3) to collect and deposit license, permit, and registration fees due under this chapter;

(4) to receive reports required by this chapter and inspect all premises, records, books, and other documents of organizations, distributors, manufacturers, and bingo halls to insure compliance with all applicable laws and rules;

(5) to make rules authorized by this chapter;

(6) to register gambling equipment and issue registration stamps;

(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;

(8) to report annually to the governor and legislature on its activities and on recommended changes in the laws governing gambling;

(9) to impose civil penalties of not more than \$500 per violation on organizations, distributors, manufacturers, bingo halls, and gambling managers for failure to comply with any provision of this chapter or any rule of the board;

(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 as provided in this chapter;

~~(13) to register recipients of net profits from lawful gambling and to revoke or suspend the registrations;~~

(14) to register employees of organizations licensed to conduct lawful gambling;

~~(15)~~ (14) to require fingerprints from persons determined by board rule to be subject to fingerprinting; and

~~(16)~~ (15) 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. 13. Minnesota Statutes 1990, section 349.154, subdivision 2, is amended to read:

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 25, 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.~~

Sec. 14. Minnesota Statutes 1990, section 349.16, subdivision 3, is amended to read:

Subd. 3. [TERM OF LICENSE: SUSPENSION AND REVOCATION.] Licenses issued under this section are valid for one year two years 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 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. 15. Minnesota Statutes 1990, section 349.165, subdivision 1, is amended to read:

Subdivision 1. [PREMISES PERMIT REQUIRED; APPLICATION.] A licensed organization may not conduct 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. A premises permit issued by the board is valid for two years. The board may by rule limit the number of premises permits that may be issued to an organization.

Sec. 16. Minnesota Statutes 1990, section 349.165, subdivision 3, is amended to read:

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~~ \$400 for a class A permit;
- (2) ~~\$125~~ \$250 for a class B permit;
- (3) ~~\$100~~ \$200 for a class C permit; and
- (4) ~~\$75~~ \$150 for a class D permit.

Sec. 17. Minnesota Statutes 1990, section 349.167, subdivision 1, is amended to read:

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~~ A person designated as a gambling manager ~~to shall~~ maintain a fidelity bond in the sum of ~~\$25,000~~ \$10,000 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.

Sec. 18. Minnesota Statutes 1990, section 349.167, subdivision 2, is amended to read:

Subd. 2. [GAMBLING MANAGERS; LICENSES.] A person may not serve as a gambling manager for an organization unless the person possesses a valid gambling manager's license issued by 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~~ complied with subdivision 4, clause (1);

(2) has never been convicted of a felony;

(3) within the five years before the date of the license application, has not committed a violation of law or board rule that resulted in the revocation of a license issued by the board;

(4) has never been convicted of a criminal violation involving fraud, theft, tax evasion, misrepresentation, or gambling;

(5) has never been convicted of (i) assault, (ii) a 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.

Sec. 19. Minnesota Statutes 1990, section 349.167, subdivision 4, is amended to read:

Subd. 4. [TRAINING OF GAMBLING MANAGERS.] 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~~ receive training before being issued a new license, except that in the case of the death, disability, or termination of a gambling manager, a replacement gambling manager must receive the training within 90 days of being issued a 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.

Sec. 20. Minnesota Statutes 1990, section 349.17, subdivision 5, is amended to read:

Subd. 5. [BINGO CARD NUMBERING.] (a) 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.

(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.~~

Sec. 21. Minnesota Statutes 1990, section 349.172, is amended to read:

349.172 [PULL-TABS; INFORMATION REQUIRED TO BE POSTED.]

~~An organization selling pull-tabs must post for each deal of pull-tabs all major prizes that have been awarded for pull-tabs purchased from that deal. The information must be posted prominently at the point of sale of the deal. An easily legible pull-tab flare that 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 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. Subdivision 1. [BOARD MAY REQUIRE CERTAIN POSTING.] The board may issue an order requiring an organization selling pull-tabs to post major pull-tab prizes and the names of major prize winners if the board has reasonable grounds to believe 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 subdivision 1 must be posted prominently at the point of sale of the pull-tabs. An easily legible pull-tab flare that 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 issues an order under subdivision 1 may request a contested case hearing on the order. The hearing must be held within 20 days of the effective date of the order, and the report by the administrative law judge must be issued within 20 days after the close of the hearing record. The board must issue its final decision within 30 days after 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 a prize of at least 50 times the face value of any pull-tab in the deal.

Subd. 5. [VOLUNTARY POSTING.] Nothing in this section limits the right of an organization voluntarily to post the names of winners of lawful gambling prizes.

Sec. 22. [349.173] [PADDLEWHEELS; RESTRICTIONS.]

No organization may:

(1) operate a paddlewheel that uses a table or similar structure or

device, whether separate from the wheel or attached to it, on which chances are played, sold, recorded, or otherwise represented;

(2) sell or record chances on a paddlewheel using chips, tokens, or other representation of a chance, other than a numbered ticket; or

(c) sell or accept a chance on a paddlewheel that is a wager on more than one number on the paddlewheel.

Sec. 23. Minnesota Statutes 1990, section 349.18, subdivision 1, is amended to read:

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 at least one year and must be 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, provided that no rule of the board may prescribe a limit of less than \$1,000 per month on rent paid for premises used for lawful gambling other than bingo. 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 on the leased premises during times when lawful gambling is being conducted on the premises.

Sec. 24. Minnesota Statutes 1990, section 349.19, subdivision 2, is amended to read:

Subd. 2. [ACCOUNTS.] Gross receipts from lawful gambling by each organization at each 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 the 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 the~~ 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 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 at each permitted premises. The person who accounts for gambling gross receipts and profits may not be the same person who accounts for other revenues of the organization.

Sec. 25. Minnesota Statutes 1990, section 349.19, subdivision 5, is amended to read:

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. The report must include a reconciliation of the organization's profit carryover with its cash balance on hand. 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 349.154 satisfies the requirement for reporting monthly to the board on expenditure of net profits.

Sec. 26. Minnesota Statutes 1990, section 349.19, subdivision 9, is amended to read:

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 accountant licensed by the state of Minnesota or performed by an independent accountant who has had prior approval of the board. The board commissioner of revenue 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 349.154. A complete, true, and correct copy of the audit report must be filed with as prescribed by the board upon completion of the audit commissioner of revenue.

Sec. 27. Minnesota Statutes 1990, section 349.19, is amended by adding a subdivision to read:

Subd. 9a. [RECORDS.] An organization licensed under this chapter must maintain records that account for the assets, liabilities, and fund balance of the organization. The records must also account for the revenues, taxes, prize payouts, expenses, and lawful purpose expenditures of the organization. The records must include a perpetual inventory of games purchased but not yet played and games in play.

Sec. 28. Minnesota Statutes 1990, section 349.19, is amended by adding a subdivision to read:

Subd. 9b. [ACCOUNTING MANUAL.] The board must prepare and distribute to each organization licensed under this chapter a manual designed to facilitate compliance with section 25. The manual must include a clear description of the processes needed to maintain the records required in section 25. The board may contract for preparation of the manual.

Sec. 29. Minnesota Statutes 1990, section 349A.02, subdivision 3, is amended to read:

Subd. 3. [POWERS AND DUTIES.] In operating the lottery the director shall exercise the following powers and duties:

- (1) adopt rules and game procedures;
- (2) issue lottery retailer contracts and rule on appeals of decisions relating to those contracts;
- (3) enter into lottery procurement contracts for the provision of goods and services to the lottery;
- (4) employ personnel as are required to operate the lottery;
- (5) enter into written agreements with one or more states government-authorized lotteries, or with an organization created and controlled by those lotteries, for the operation, marketing, and promotion of a joint lottery;
- (6) adopt and publish advertising and promotional materials consistent with section 349A.09; and
- (7) take all necessary steps to ensure the integrity of, and public confidence in, the state lottery.

Sec. 30. Minnesota Statutes 1990, section 349A.06, subdivision 3, is amended to read:

Subd. 3. [BOND.] The director shall require that each lottery retailer post a bond, securities, or an irrevocable letter of credit, in an amount as the director deems necessary, to protect the financial interests of the state. If securities are deposited or an irrevocable letter of credit filed, the securities or letter of credit must be of a type or in the form provided under section 349A.07, subdivision 5, paragraphs (b) and (c).

Sec. 31. Minnesota Statutes 1990, section 349A.06, subdivision 11, is amended to read:

Subd. 11. [REVOCAION CANCELLATION, SUSPENSION, AND REFUSAL TO RENEW ~~LICENSES CONTRACTS.~~] (a) The director shall cancel the contract of any lottery retailer who:

- (1) has been convicted of a felony or gross misdemeanor;
- (2) has committed fraud, misrepresentation, or deceit;
- (3) has provided false or misleading information to the division; or
- (4) has acted in a manner prejudicial to public confidence in the integrity of the lottery.

(b) The director may cancel, suspend, or refuse to renew the contract of any lottery retailer who:

- (1) changes business location;
- (2) fails to account for lottery tickets received or the proceeds from tickets sold;
- (3) fails to remit funds to the director in accordance with the director's rules;
- (4) violates a law or a rule or order of the director;
- (5) fails to comply with any of the terms in the lottery retailer's contract;
- (6) fails to ~~comply with~~ file a bond requirements, securities, or a letter of credit as required under this section subdivision 3;
- (7) in the opinion of the director fails to maintain a sufficient sales volume to justify continuation as a lottery retailer; or
- (8) has violated section 340A.503, subdivision 2, clause (1), two or more times within a two-year period.

(c) The director may also cancel, suspend, or refuse to renew a lottery retailer's contract if there is a material change in any of the factors considered by the director under subdivision 2.

(d) A contract cancellation, suspension, or refusal to renew under this subdivision is a contested case under sections 14.57 to 14.69 and is in addition to any criminal penalties provided for a violation of law or rule.

(e) The director may temporarily suspend a contract without notice for any of the reasons specified in this subdivision provided

that a hearing is conducted within seven days after a request for a hearing is made by a lottery retailer. Within 20 days after receiving the administrative law judge's report, the director shall issue an order vacating the temporary suspension or making any other appropriate order. If no hearing is requested within 30 days of the temporary suspension taking effect, the director may issue an order making the suspension permanent suspension becomes permanent unless the director vacates or modifies the order.

Sec. 32. Minnesota Statutes 1990, section 349A.08, is amended by adding a subdivision to read:

Subd. 9. [PRIVACY.] The phone number and street address of a winner of a lottery prize is private data on individuals under chapter 13.

Sec. 33. Minnesota Statutes 1990, section 349A.09, subdivision 2, is amended to read:

Subd. 2. [CONTENT OF ADVERTISING.] (a) Advertising and promotional materials for the lottery adopted or published by the director must be consistent with the dignity of the state and may only:

(1) present information on how lottery games are played, prizes offered, where and how tickets may be purchased, when drawings are held, and odds on the games advertised;

(2) identify state programs supported by lottery net revenues;

(3) present the lottery as a form of entertainment; or

(4) state the winning numbers or identity of winners of lottery prizes.

(b) The director may not adopt or publish any advertising for the lottery which:

(1) presents directly or indirectly any lottery game as a potential means of relieving any person's financial difficulties;

(2) is specifically targeted with the intent to exploit a person, a specific group or an economic class of people, or a religious holiday by use of a religious theme or symbol;

(3) presents the purchase of a lottery ticket as a financial investment or a way to achieve financial security;

(4) uses the name or picture of a current elected state official to promote a lottery game;

(5) exhorts the public to bet by directly or indirectly misrepresenting a person's chance of winning a prize; or

(6) denigrates a person who does not buy a lottery ticket or unduly praises a person who does buy a ticket.

Sec. 34. Minnesota Statutes 1990, 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" also includes any a 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. 35. Minnesota Statutes 1990, section 609.75, is amended by adding a subdivision to read:

Subd. 8. [VIDEO GAME OF CHANCE.] A video game of chance is a game or device that simulates one or more 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 that records unplayed credits or replays.

Sec. 36. Minnesota Statutes 1990, section 609.755, is amended to read:

609.755 [ACTS OF OR RELATING TO GAMBLING.]

Whoever does any of the following is guilty of a misdemeanor:

(1) makes a bet; or

(2) sells or transfers a chance to participate in a lottery; or

(3) disseminates information about a lottery with intent to encourage participation therein, except a lottery conducted by an adjoining state; or

(4) permits a structure or location owned or occupied by the actor or under the actor's control to be used as a gambling place; or

(5) operates a gambling device.

Clause (5) does not prohibit operation of a gambling device in a person's dwelling for amusement purposes in a manner that does not afford players an opportunity to obtain anything of value.

Sec. 37. Minnesota Statutes 1990, section 609.76, subdivision 1, is amended to read:

Subdivision 1. [GROSS MISDEMEANORS.] (a) 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 except as provided in section 2, manufactures, sells or, offers for sale, or otherwise provides, 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) with intent that it be so used, manufactures, sells, or offers for sale any facility for conducting a lottery, except as provided by section 349.40; or

(7) 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 in section 349.50, subdivision 8, or who directs an employee to pay any such compensation or reward.

(b) On conviction of a person for the crime established in paragraph (a), clause (7), the court shall impose a fine of not less than \$700.

Sec. 38. [TRIBAL-STATE COMPACTS.]

Sections 2 and 28 to 31 do not affect the validity of, and must not be construed as prohibiting the state from entering into or participating in, a tribal-state compact with the governing body of an Indian tribe governing the conduct of video games of chance under the Indian Gaming Regulatory Act, United States Code, title 25, sections 2701 to 2721.

Sec. 39. [REPORT.]

The director of the gambling control board, the commissioner of public safety, and the attorney general or their designees shall jointly study the issue of requiring that all gambling equipment as defined in Minnesota Statutes, section 34.12, subdivision 24, be purchased from one or more suppliers who contract with the state for that purpose. The study shall include a recommendation as to the adoption of the requirement and a plan for implementing such a requirement. The study must include, among other things, the following options:

(1) requiring organizations to purchase gambling equipment directly from the state; and

(2) requiring organizations to purchase gambling equipment directly from suppliers who contract with the state.

The director, the commissioner, and the attorney general or their designees shall report to the legislature on the results of the study not later than February 1, 1992. The report must contain draft legislation that implements any legislative recommendation contained in the study.

Sec. 40. [REPEALER.]

Minnesota Statutes 1990, section 349.154, subdivision 3, is repealed.

Sec. 41. [EFFECTIVE DATE.]

(a) Sections 1 to 5, 8 to 9, 11 to 13, 17 to 20, 24, 26, 29 to 33, the provisions of section 36 that amend Minnesota Statutes 1990, section 609.755, clause 3, and 39 to 40, are effective the day following final enactment.

(b) Sections 21 and 23 are effective July 1, 1991.

(c) Sections 14 to 16 are effective August 1, 1991, and apply to licenses and permits issued on and after that date.

(d) Section 28 is effective September 1, 1991, and the manual required by that section must be distributed by that date.

(e) Sections 6 to 7, 34 to 35, 36 except as provided in paragraph (a), and 37 to 38, are effective January 1, 1992.

(f) Sections 10, 25, and 27 are effective March 1, 1992."

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Osthoff amendment and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kinkel	Olson, E.	Skoglund
Anderson, I.	Frerichs	Knickerbocker	Olson, K.	Smith
Anderson, R.	Garcia	Koppendrayner	Omann	Solberg
Anderson, R. H.	Girard	Krinkie	Onnen	Sparby
Battaglia	Goodno	Krueger	Orenstein	Stanisus
Bauerly	Greenfield	Lasley	Orfield	Steensma
Beard	Gruenes	Leppik	Osthoff	Sviggum
Begich	Gutknecht	Lieder	Ostrom	Swenson
Bertram	Hanson	Limmer	Ozment	Thompson
Bettermann	Hartle	Lourey	Pauly	Tompkins
Blatz	Hasskamp	Lynch	Pellow	Trimble
Bodahl	Haukoos	Macklin	Pelowski	Tunheim
Boo	Hausman	Mariani	Peterson	Uphus
Brown	Heir	Marsh	Pugh	Valento
Carlson	Henry	McEachern	Reding	Vellenga
Carruthers	Hufnagle	McGuire	Rest	Wagenius
Cooper	Hugoson	McPherson	Rodosovich	Waltman
Dauner	Jacobs	Milbert	Rukavina	Weaver
Davids	Janezich	Morrison	Runbeck	Wejzman
Dawkins	Jennings	Munger	Sarna	Welker
Dempsey	Johnson, A.	Murphy	Schafer	Welle
Dille	Johnson, R.	Nelson, S.	Scheid	Wenzel
Dorn	Johnson, V.	Newinski	Schreiber	Winter
Erhardt	Kahn	O'Connor	Seaberg	Spk. Vanasek
Farrell	Kalis	Olsen, S.	Segal	

The motion prevailed and the amendment was adopted.

Brown moved to amend S. F. No. 506, as amended, as follows:

Page 6, line 19, delete "three" and insert "six"

Page 6, line 20, delete "one" and insert "two"

A roll call was requested and properly seconded.

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

Those who voted in the affirmative were:

Abrams	Dempsey	Johnson, R.	Olsen, S.	Solberg
Anderson, I.	Farrell	Johnson, V.	Omann	Sparby
Battaglia	Frederick	Kalis	Ozment	Stanius
Bauerly	Frerichs	Kelso	Pauly	Sviggum
Beard	Garcia	Kinkel	Pellow	Thompson
Begich	Girard	Knickerbocker	Pelowski	Trimble
Bertram	Goodno	Koppendrayner	Peterson	Uphus
Bettermann	Hartle	Lieder	Pugh	Valento
Bishop	Hasskamp	Lynch	Reding	Waltman
Blatz	Hugoson	Mariani	Rukavina	Welker
Bodahl	Jacobs	McEachern	Runbeck	Welle
Boo	Janezich	Milbert	Sarna	
Brown	Jaros	Morrison	Schafer	
Cooper	Jennings	Munger	Simoneau	
Dauner	Johnson, A.	O'Connor	Smith	

Those who voted in the negative were:

Anderson, R.	Gutknecht	Limmer	Orenstein	Swenson
Anderson, R. H.	Hanson	Long	Orfield	Tompkins
Carlson	Haukoos	Lourey	Osthoff	Tunheim
Carruthers	Hausman	Macklin	Ostrom	Vellenga
Clark	Heir	Marsh	Rest	Wagenius
Davids	Henry	McPherson	Rice	Weaver
Dawkins	Hufnagle	Murphy	Rodosovich	Wejzman
Dille	Kahn	Nelson, K.	Scheid	Wenzel
Dorn	Krinkie	Nelson, S.	Seaberg	Winter
Erhardt	Krueger	Newinski	Segal	Spk. Vanasek
Greenfield	Lasley	Olson, E.	Skoglund	
Gruenes	Leppik	Onnen	Steensma	

The motion prevailed and the amendment was adopted.

Rice, Marsh and Skoglund moved to amend S. F. No. 506, as amended, as follows:

Pages 2 to 24, delete article 1

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 Rice et al amendment and the roll was called. There were 51 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Anderson, R. H.	Gruenes	Leppik	Osthoff	Vellenga
Bettermann	Gutknecht	Limmer	Ostrom	Wagenius
Carlson	Haukoos	Long	Rice	Weaver
Carruthers	Hausman	Lourey	Rodosovich	Wejzman
Clark	Heir	Marsh	Seaberg	Welker
Davids	Henry	Murphy	Segal	Wenzel
Dorn	Kahn	Nelson, K.	Skoglund	Spk. Vanasek
Erhardt	Kalis	Nelson, S.	Steensma	
Garcia	Kinkel	Newinski	Thompson	
Goodno	Krinkie	Orenstein	Tompkins	
Greenfield	Krueger	Orfield	Tunheim	

Those who voted in the negative were:

Abrams	Dille	Johnson, V.	Olson, K.	Smith
Anderson, I.	Farrell	Kelso	Omann	Solberg
Battaglia	Frederick	Knickerbocker	Onnen	Sparby
Bauerly	Frerichs	Koppendrayer	Pauly	Stanius
Beard	Girard	Lasley	Pellow	Sviggum
Begich	Hanson	Lieder	Pelowski	Swenson
Bertram	Hartle	Lynch	Peterson	Trimble
Bishop	Hufnagle	Macklin	Pugh	Uphus
Blatz	Hugoson	Mariani	Reding	Valento
Bodahl	Jacobs	McEachern	Rukavina	Waltman
Boo	Janezich	McPherson	Runbeck	Welle
Brown	Jaros	Milbert	Sarna	Winter
Cooper	Jefferson	Morrison	Schafer	
Dauner	Jennings	O'Connor	Scheid	
Dawkins	Johnson, A.	Olsen, S.	Schreiber	
Dempsey	Johnson, R.	Olson, E.	Simoneau	

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

Kahn; O'Connor; Long; Milbert; Segal; Olsen, S.; Olson, K.; Henry; Rukavina; Trimble; Pugh; Abrams; Morrison; Sviggum; Scheid; Johnson, A.; Pauly; Hasskamp; McGuire; Simoneau and Wejzman moved to amend S. F. No. 506, as amended, as follows:

In the Osthoff amendment, page 9, after line 29, insert:

"(8) recreational and athletic facilities and activities intended primarily for persons of any age whose opportunity for athletic participation has been previously limited on account of sex."

Renumber the remaining clauses

A roll call was requested and properly seconded.

The question was taken on the Kahn et al amendment and the roll was called. There were 106 yeas and 22 nays as follows:

Those who voted in the affirmative were:

Abrams	Anderson, R. H.	Bauerly	Begich	Bishop
Anderson, I.	Battaglia	Beard	Bettermann	Blatz

Bodahl	Henry	Lourey	Ozment	Swiggum
Carlson	Hufnagle	Lynch	Pauly	Swenson
Carruthers	Jacobs	Macklin	Pellow	Thompson
Clark	Jaros	Mariani	Pelowski	Trimble
Dauner	Jefferson	Marsh	Pugh	Tunheim
Dauids	Jennings	McEachern	Rest	Uphus
Dawkins	Johnson, A.	McGuire	Rice	Valento
Dempsey	Johnson, R.	McPherson	Rodosovich	Vellenga
Dille	Kahn	Milbert	Rukavina	Wagenius
Dorn	Kalis	Morrison	Sarna	Waltman
Erhardt	Kelso	Murphy	Scheid	Weaver
Farrell	Knickerbocker	Nelson, K.	Seaberg	Wejcman
Garcia	Koppendrayner	Nelson, S.	Segal	Welle
Goodno	Krinkie	O'Connor	Simoneau	Wenzel
Gruenes	Krueger	Olsen, S.	Skoglund	Winter
Hanson	Lasley	Olson, E.	Smith	Spk. Vanasek
Hartle	Leppik	Onnen	Solberg	
Hasskamp	Lieder	Orenstein	Sparby	
Hausman	Limmer	Orfield	Stanius	
Heir	Long	Ostrom	Steensma	

Those who voted in the negative were:

Bertram	Frerichs	Janezich	Osthoff	Tompkins
Boo	Girard	Johnson, V.	Peterson	Welker
Brown	Gutknecht	Kinkel	Reding	
Cooper	Haukoos	Olson, K.	Schafer	
Frederick	Hugoson	Omann	Schreiber	

The motion prevailed and the amendment was adopted.

Goodno moved to amend S. F. No. 506, as amended, as follows:

In the Osthoff amendment, page 20, delete section 22

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

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

Gutknecht and Haukoos moved to amend S. F. No. 506, as amended, as follows:

Page 4, line 28, after "pari-mutuel" insert "standardbred"

Page 6, line 18, delete the period and insert "and to a holder of a class D license who conducts live racing at a class D facility. After the issuance of the first class E license to a holder of a class B license, the commission may issue only as many additional class E licenses to a class B licensee as it has issued class E licenses to a class D licensee."

Page 8, line 31, after "B" insert "or class D"

Page 10, lines 9, 15, and 20, after "B" insert "2 class D2"

Page 10, lines 12, 15, and 23, after "A" insert "or class D"

Page 10, line 29, after "B" insert "2 class D"

Page 10, lines 27 and 32, after "A" insert "or class D"

Page 10, line 31, before the comma insert "for a class A licensee and a maximum of ten days for a class D licensee"

Page 10, line 32, after "A" insert "or class D"

Page 10, line 33, delete "preceding" and insert "current"

Page 11, line 1, delete "preceding" and insert "current"

Page 12, line 31, after "A" insert "or class D"

Page 13, line 20, after "A" insert "or class D"

Page 13, line 21, delete "preceding" and insert "current"

Page 14, lines 26 and 31, after "A" insert "or class D"

Page 15, line 20, delete "2 or not raced"

Page 15, line 21, delete everything before "at"

Page 15, line 21, after "A" insert "or class D"

Page 15, line 24, delete "preceding" and insert "current"

Page 16, line 33, after "A" insert "or class D"

Page 17, lines 2 and 4, after "A" insert "or class D"

Page 17, lines 3 and 10, delete "preceding" and insert "current"

Page 17, lines 31 and 32, after "A" insert "or class D"

Page 18, line 13, after "B" insert "or class D"

Page 18, line 16, delete "ran" and insert "runs" and after "A" insert "or class D" and after the second "the" insert "current"

Page 18, line 17, delete "preceding the event"

Page 18, line 21, delete "or both"

A roll call was requested and properly seconded.

The question was taken on the Gutknecht and Haukoos amendment and the roll was called. There were 34 yeas and 93 nays as follows:

Those who voted in the affirmative were:

Anderson, R. H.	Heir	Marsh	Osthoff	Vellenga
Bettermann	Henry	McEachern	Pellow	Wagenius
Clark	Hufnagle	McPherson	Sarna	Weaver
Dille	Janezich	Nelson, S.	Scheid	Wejzman
Erhardt	Kahn	Newinski	Seaberg	Welker
Gutknecht	Koppendrayner	Orenstein	Skoglund	Wenzel
Haukoos	Krinkie	Orfield	Steensma	

Those who voted in the negative were:

Abrams	Dorn	Johnson, V.	Nelson, K.	Simoneau
Anderson, I.	Farrell	Kalis	O'Connor	Smith
Battaglia	Frederick	Kelso	Olsen, S.	Solberg
Bauerly	Frerichs	Kinkel	Olson, E.	Sparby
Beard	Garcia	Knickerbocker	Olson, K.	Stanius
Begich	Girard	Krueger	Omann	Sviggum
Bertram	Goodno	Lasley	Onnen	Swenson
Bishop	Gruenes	Leppik	Ostrom	Thompson
Blatz	Hanson	Lieder	Ozment	Tompkins
Bodahl	Hartle	Limmer	Pauly	Trimble
Boo	Hasskamp	Long	Pelowski	Tunheim
Brown	Hausman	Lourey	Peterson	Uphus
Carlson	Hugoson	Lynch	Pugh	Valento
Carruthers	Jacobs	Macklin	Reding	Waltman
Cooper	Jaros	Mariani	Rodosovich	Welle
Dauner	Jefferson	McGuire	Rukavina	Winter
Davids	Jennings	Milbert	Schafer	Spk. Vanasek
Dawkins	Johnson, A.	Morrison	Schreiber	
Dempsey	Johnson, R.	Munger	Segal	

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

S. F. No. 506, A bill for an act relating to lawful gambling; lotteries; providing for teleracing and its operation and regulation; expanding requirements relating to compulsive gambling; exempting lawful gambling profits from the tax on unrelated business income; regulating manufacturers and distributors of gambling devices; changing certain requirements relating to record keeping, reports, audits, and expenditures of gambling profits by licensed gambling organizations; modifying certain licensing, training, and operating requirements for licensed gambling organizations; changing requirements relating to posting of pull-tab winners; authorizing the director of the lottery to enter into joint lotteries outside the

United States; expanding certain provisions relating to lottery retailers; designating certain data on lottery prize winners as private; changing requirements relating to lottery advertising; clarifying the prohibitions on video games of chance and lotteries; authorizing dissemination of information about lotteries conducted by adjoining states; imposing surcharges on lawful gambling premises permit fees; establishing a task force on compulsive gambling assessments; appropriating money; amending Minnesota Statutes 1990, sections 240.01, subdivisions 1, 10, and by adding subdivisions; 240.02, subdivision 3; 240.03; 240.05, subdivision 1; 240.06, subdivision 1; 240.09, subdivision 2; 240.10; 240.11; 240.13, subdivisions 1, 2, 3, 4, 5, 6, and 8; 240.15, subdivision 6; 240.16, subdivision 1a; 240.18; 240.19; 240.23; 240.24, subdivision 2; 240.25; 240.27; 240.28, subdivision 1; 240.29; 245.98, by adding a subdivision; 290.05, subdivision 3; 290.92, subdivision 27; 299L.01, subdivision 1; 349.12, subdivision 25, and by adding subdivisions; 349.15; 349.151, subdivision 4; 349.154, subdivision 2; 349.16, subdivision 3; 349.165, subdivisions 1 and 3; 349.167, subdivisions 1, 2, and 4; 349.17, subdivision 5; 349.172; 349.18, subdivision 1; 349.19, subdivisions 2, 5, 9, and by adding subdivisions; 349A.02, subdivision 3; 349A.06, subdivisions 3, 5, and 11; 349A.08, by adding a subdivision; 349A.09, subdivision 2; 349A.10, subdivision 3; 609.115, by adding a subdivision; 609.75, subdivisions 1, 4, and by adding a subdivision; 609.755; 609.76, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 240; and 299L; repealing Minnesota Statutes 1990, sections 240.01, subdivision 13; 240.13, subdivision 6a; 240.14; subdivision 1a; 349.154, subdivision 3; 349A.02, subdivision 5; and 349A.03, 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 101 yeas and 29 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Hugoson	Macklin	Pellow
Anderson, I.	Dempsey	Jacobs	Mariani	Pelowski
Battaglia	Dille	Janezich	McEachern	Peterson
Bauerly	Dorn	Jaros	McGuire	Pugh
Beard	Farrell	Jefferson	McPherson	Reding
Begich	Frederick	Jennings	Milbert	Rukavina
Bertram	Frerichs	Johnson, A.	Morrison	Runbeck
Bettermann	Garcia	Johnson, R.	Murphy	Sarna
Bishop	Girard	Johnson, V.	O'Connor	Schafer
Blatz	Goodno	Kahn	Olsen, S.	Scheid
Bodahl	Gruenes	Kelso	Olson, E.	Schreiber
Boo	Hanson	Kinkel	Olson, K.	Segal
Brown	Hartle	Knickerbocker	Omman	Simoneau
Carlson	Hasskamp	Koppendrayer	Onnen	Smith
Carruthers	Hausman	Lasley	Osthoff	Solberg
Cooper	Heir	Lieder	Ostrom	Sparby
Dauner	Henry	Lourey	Ozment	Stanius
Davids	Hufnagle	Lynch	Pauly	Sviggum

Swenson
Trimble
Tunheim

Uphus
Valento
Waltman

Weaver
Welker
Welle

Winter
Spk. Vanasek

Those who voted in the negative were:

Anderson, R. H.
Clark
Erhardt
Greenfield
Gutknecht
Haukoos

Kalis
Krinkie
Krueger
Leppik
Limmer
Long

Marsh
Nelson, K.
Nelson, S.
Newinski
Orenstein
Orfield

Rice
Rodosovich
Seaberg
Skoglund
Steensma
Thompson

Tompkins
Vellenga
Wagenius
Wejcman
Wenzel

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

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

REPORT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

Long, from the Committee on Rules and Legislative Administration, pursuant to rule 1.09, designated the following bills as Special Orders to be acted upon immediately preceding printed Special Orders pending for today, Thursday, May 16, 1991:

S. F. No. 931; H. F. No. 1002; and S. F. Nos. 351 and 1053.

SPECIAL ORDERS

S. F. No. 931 was reported to the House.

Orfield moved to amend S. F. No. 931, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 115A.03, subdivision 24a, is amended to read:

Subd. 24a. [PROBLEM MATERIAL.] “Problem material” means a material that, when it is processed or disposed of with mixed municipal solid waste, contributes to one or more of the following results:

(1) the release of a hazardous substance, or pollutant or contaminant, as defined in section 115B.02, subdivisions 8, 13, and 15;

- (2) pollution of water as defined in section 115.01, subdivision 5;
- (3) air pollution as defined in section 116.06, subdivision 3; or
- (4) a significant threat to the safe or efficient operation of a solid waste ~~processing~~ facility.

Sec. 2. Minnesota Statutes 1990, section 115A.956, is amended to read:

115A.956 [SOLID WASTE DISPOSAL PROBLEM MATERIALS.]

Subdivision 1. [PROBLEM MATERIAL PROCESSING AND DISPOSAL PLAN.] The office shall develop a plan that designates problem materials and available capacity for processing and disposal of problem materials including household hazardous waste that should not be in mixed municipal solid waste. In developing the plan, the office shall consider relevant regional characteristics and the impact of problem materials on specific processing and disposal technologies.

Subd. 2. [PROBLEM MATERIAL SEPARATION AND COLLECTION PLAN.] After the office certifies that sufficient processing and disposal capacity is available, but no later than November 15, 1992, the office shall develop a plan for separating problem materials from mixed municipal solid waste, collecting the problem materials, and transporting the problem materials to a processing or disposal facility and may by rule prohibit the disposal placement of the designated problem materials in mixed municipal solid waste.

Sec. 3. Minnesota Statutes 1990, section 115A.96, subdivision 6, is amended to read:

Subd. 6. [HOUSEHOLD HAZARDOUS WASTE MANAGEMENT PLANS.] (a) Each county shall include in its solid waste management plan required in section 115A.46, or its solid waste master plan required in section 473.803, a household hazardous waste management plan. The plan must at least:

- (1) include a broad based public education component;
 - (2) include a strategy for reduction of household hazardous waste; and
 - (3) address include a strategy for separation of household hazardous waste from mixed municipal solid waste and the collection, storage, and disposal proper management of that waste.
- (b) Each county required to submit its plan to the office under

section 115A.46 shall amend its plan to comply with this subdivision within one year after October 4, 1989.

(c) Each county in the state shall implement its household hazardous waste management plan by June 30, 1992.

Sec. 4. Minnesota Statutes 1990, section 116.07, subdivision 4j, is amended to read:

Subd. 4j. [PERMITS; SOLID WASTE FACILITIES.] (a) The agency may not issue a permit for new or additional capacity for a mixed municipal solid waste resource recovery or disposal facility as defined in section 115A.03 unless each county using or projected in the permit to use the facility has in place a solid waste management plan approved under section 115A.46 or 473.803 and amended as required by section 115A.96, subdivision 6. The agency shall issue the permit only if the capacity of the facility is consistent with the needs for resource recovery or disposal capacity identified in the approved plan or plans. Consistency must be determined by the metropolitan council for counties in the metropolitan area and by the agency for counties outside the metropolitan area. Plans approved before January 1, 1990, need not be revised if the capacity sought in the permit is consistent with the approved plan or plans.

(b) The agency shall require as part of the permit application for a waste incineration facility identification of preliminary plans for ash management and ash leachate treatment or ash utilization. The permit issued by the agency must include requirements for ash management and ash leachate treatment.

Sec. 5. Minnesota Statutes 1990, section 116.07, subdivision 4k, is amended to read:

Subd. 4k. [HOUSEHOLD HAZARDOUS WASTE AND OTHER PROBLEM MATERIALS MANAGEMENT.] (a) The agency shall adopt rules to require the owner or operator of a solid waste disposal facility or resource recovery facility to submit to the agency and to each county using or projected to use the facility a management plan for the separation of household hazardous waste and other problem materials from solid waste prior to disposal or processing and for the proper disposal management of the waste. The rules must require that the plan be developed in coordination with each county using, or projected to use, the facility. The plan must not be inconsistent with the plan developed under section 115A.956, subdivision 2, and must include:

(1) identification of materials that are problem materials, as defined in section 115A.03, subdivision 24a, for the facility;

(2) participation in public education activities on management of

household hazardous waste management and other problem materials in the facility's service area;

~~(2)~~ (3) a strategy for reduction of household hazardous waste and other problem materials entering the facility; and

~~(3)~~ (4) a plan for the storage and disposal proper management of separated household hazardous waste and other problem materials.

(b) ~~After June~~ By September 30, 1992, the owner or operator of a facility shall implement the elements of the plan required in paragraph (a) relating to household hazardous waste management. After that date, the agency may not grant or renew a permit for a facility that has not submitted a household hazardous waste management plan. until the agency has:

(1) reviewed the elements of the facility's plan relating to household hazardous waste management;

(2) directed the applicant or permittee to make changes to these elements as necessary to comply with the plan requirements under paragraph (a); and

(3) included a requirement to implement the elements as a condition of the issued or renewed permit.

(c) By September 30, 1993, the owner or operator of a facility shall implement the elements of the plan required in paragraph (a) relating to problem materials management. After that date, the agency may not grant or renew a permit for a facility until the agency has:

(1) reviewed the elements of the facility's plan relating to problem materials management;

(2) directed the applicant or permittee to make changes to these elements as necessary to comply with the plan requirements under paragraph (a); and

(3) included a requirement to implement the elements as a condition of the issued or renewed permit.

Sec. 6. [116D.10] [ENERGY AND ENVIRONMENTAL STRATEGY REPORT.]

On or before January 1 of each even-numbered year, the governor shall transmit to the energy and environment and natural resources committees of the legislature a concise, comprehensive written report on the energy and environmental strategy of the state.

The report must be sufficiently comprehensive to assist the legislature in allocating funds to support all of the policies, plans, and programs of the state related to energy and the environment, and specifically must include:

(1) a concise, comprehensive discussion of state, and, as applicable, national and global energy and environmental problems, including but not limited to: indoor and outdoor air pollution, water pollution, atmospheric changes, stratospheric ozone depletion, damage to terrestrial systems, deforestation, regulation of pesticides and toxic substances, solid and hazardous waste management, ecosystem protection (wetlands, estuaries, groundwater, Lake Superior and the inland lakes and rivers), population growth, preservation of animal and plant species, soil erosion, and matters relating to the availability and conservation of crude oil and of refined petroleum product and other energy sources;

(2) a concise, comprehensive description and assessment of the policies and programs of all departments and agencies of the state responsible for issues listed in clause (1), including a concise discussion of the long-term objectives of such policies and programs; existing and proposed funding levels; the impact of each policy and program on pollution prevention, emergency preparedness and response, risk assessment, land management, technology transfer, and matters relating to the availability and conservation of crude oil and of refined petroleum product and other energy sources; and the impact of each on relations with the other states, the federal government, membership in national organizations, and funding of programs for state environmental protection and energy issues;

(3) a concise description and assessment of the integration and coordination of policies, plans, environmental programs, and energy programs of the state with the policies and programs of the federal government, the environmental and energy policies and programs of the other states, and the environmental and energy policies and programs of major state and national nonprofit conservation organizations;

(4) a concise description and assessment of all efforts by the state to integrate effectively its energy and environmental strategy with:

(i) the science and technology strategy of the federal government, including objectives, priorities, timing, funding details, and expected results of all environmental and energy research and development supported by the federal government and of all efforts at regional, national, and international cooperation on environmental and energy research and development;

(ii) the national energy policies of the federal government, including objectives, priorities, timing, funding details, and expected results of all efforts supported by the federal government aimed at

reducing energy demand, improving energy efficiency and conservation, fuel-switching, using safe nuclear power reactors, employing clean coal technology, promoting renewable energy sources, promoting research and possible use of alternative fuels, promoting biomass research, promoting energy research and development in general, and advancing regional, national, and international energy cooperation;

(iii) the national environmental education strategy of the federal government, including objectives, priorities, timing, funding details, and expected results of all domestic and international education efforts supported by the United States to improve both public participation and awareness of the need for environmental protection;

(iv) the technology transfer strategy of the federal government, including objectives, priorities, timing, funding details, and expected results of all domestic and international environmental and energy technology transfer efforts to foster collaboration and cooperation between federal agencies and state and local governments, universities, nonprofit conservation organizations, and private industry in order to improve the competitiveness of the state and the nation in the world marketplace and promote environmental and energy technology advancement; and

(v) the national security strategy of the federal government, including objectives, priorities, timing, funding, and expected results of the national security programs to be most compatible with requirements for environmental preservation and a national energy policy, while accomplishing missions essential to national security;

(5) a concise assessment of the overall effectiveness of the energy and environmental strategy of the state, including a concise description of the organizational processes used to provide a body of energy and environmental information and to evaluate the results of energy and environmental programs; the use of statistical methods; the degree to which the strategy is long-term, comprehensive, integrated, flexible, and oriented toward achieving broad consensus in the state, the nation, and abroad; and recommendations on the ways in which the legislature can assist the governor in making the strategy more effective;

(6) specific two-year, five-year and, as appropriate, longer term goals for the implementation of the energy and environmental strategy of the state; and

(7) such other pertinent information as may be necessary to provide information to the legislature on matters relating to the overall energy and environmental strategy of the state and to develop state programs coordinated with those formulated on a national and international level.

Sec. 7. [116D.11] [REPORT PREPARATION.]

Subdivision 1. [AGENCY RESPONSIBILITY.] Each department or agency of the state, as designated by the governor, shall assist in the preparation of the strategy report. Each designated department or agency shall prepare a preliminary strategy report relating to those programs or policies over which the department or agency has jurisdiction. Each preliminary strategy report shall:

(1) describe concisely the existing policies and programs of the department or agency as they relate to the issues listed in section 116D.10, clause (1);

(2) describe concisely and evaluate the long-term objectives of the department or agency as they relate to the issues listed in section 116D.10, clause (1);

(3) identify and make proposals about the development of department or agency financial management budgets as they relate to the issues listed in section 116D.10, clause (1);

(4) describe concisely the strategy and procedure of the department or agency to recruit, select, and train personnel to carry out department or agency goals and functions as they relate to the issues listed in section 116D.10, clause (1);

(5) identify and make proposals to eliminate duplicative and unnecessary programs or systems, including encouraging departments and agencies to share systems or programs that have sufficient capacity to perform the functions needed as they relate to the issues listed in section 116D.10, clause (1); and

(6) establish two-year quantitative goals for policy implementation.

Subd. 2. [PRIMARY RESPONSIBILITY.] The environmental quality board shall have the primary responsibility for preparing the energy and environmental strategy report of the state, as required by section 116D.10. The board shall assemble all preliminary reports prepared pursuant to subdivision 1 under a timetable established by the board and shall use the preliminary reports in the preparation of the draft energy and environmental strategy report of the state. Each department or agency designated by the governor to prepare a preliminary strategy report shall submit a copy of the preliminary strategy report to the governor and to the board at the same time.

Subd. 3. [REPORT TO GOVERNOR.] On or before October 1 of each odd-numbered year, the environmental quality board shall transmit to the governor a draft of the written report on the energy

and environmental strategy of the state. The governor may change the report and may request additional information or data from any department or agency of the state responsible for issues listed in section 116D.10, clause (1). Any such requested additional information or data shall be prepared and submitted promptly to the governor.

Subd. 4. [STRATEGY AND FINAL REPORTS.] (a) Any department or agency of the state required to submit a biennial report to the legislature in an even-numbered year under section 15.063 may reference part or all of the discussion and information contained in a preliminary strategy report of that department or agency prepared in the prior odd-numbered year in fulfillment of providing any of the substantially equivalent material required to be in the biennial report to the legislature.

(b) It is the intent of the legislature that any preliminary strategy report by a department or agency, the draft energy and environmental strategy report of the state prepared by the environmental quality board, and the final report on the energy and environmental strategy of the state as transmitted by the governor should be written in as concise and easily understood a manner as possible while being sufficiently comprehensive to assist the legislature in allocating funds to support the policies, plans, and programs of the state related to energy and the environment. All preliminary, draft, and final reports shall contain minimal extraneous and irrelevant material.

(c) It is the intent of the legislature that the primary responsibility for preparing the preliminary strategy report relating to energy shall be the responsibility of the department of public service and that the primary responsibility for preparing the preliminary strategy report relating to the environment shall be the responsibility of the pollution control agency.

(d) To aid in effectuating the goal of the legislature that all preparatory and final reports be written in a concise and understandable manner, no preliminary strategy report of any department or agency shall exceed, without the prior approval of the environmental quality board, 30 double-spaced pages or the equivalent, 8-1/2 x 11 inches in size, including all appendices, addenda, and attachments, except those that contain primarily charts, graphs, tabulations, or contain other numerical or pictorial information. Notwithstanding the foregoing, preliminary strategy reports of the department of public service and the pollution control agency may not exceed 50 double-spaced pages or the equivalent, 8-1/2 x 11 inches in size, including all appendices, addenda, and attachments, except those that contain primarily charts, graphs, tabulations or contain other numerical or pictorial information.

Minnesota Statutes 1990, section 116D.07, is repealed."

Delete the title and insert:

"A bill for an act relating to waste management; prohibiting issuance and renewal of certain permit if plans are not developed and implemented; requiring the governor to submit a biennial policy report to the legislature on energy and the environment; amending Minnesota Statutes 1990, sections 115A.03, subdivision 24a; 115A.956; 115A.96, subdivision 6; and 116.07, subdivisions 4j and 4k; proposing coding for new law in Minnesota Statutes, chapter 116D; repealing Minnesota Statutes 1990, section 116D.07."

The motion prevailed and the amendment was adopted.

Pugh, Milbert and Orfield moved to amend S. F. No. 931, as amended, as follows:

Page 10, after line 18, insert:

"Sec. 8. Minnesota Statutes 1990, chapter 116G, is amended by adding a section to read:

[116G.15] [MISSISSIPPI RIVER CRITICAL AREA.]

The federal Mississippi National River and Recreation Area established pursuant to United States Code, title 16, section 460zz-2(k), is designated an area of critical concern in accordance with this chapter. The governor shall report to affected communities in accordance with section 116G.06, subdivision 2."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 931, A bill for an act relating to waste management; requiring counties to prepare and amend solid waste management plans; requiring counties and solid waste facilities to develop and implement problem materials management plans; prohibiting issuance and renewal of certain permit if plans are not developed and implemented; amending Minnesota Statutes 1990, sections 115A.03, subdivision 24a; 115A.46, subdivisions 1 and 2; 115A.956;

115A.96, subdivision 6; 116.07, subdivisions 4j and 4k; 473.149, subdivision 1; and 473.803, 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 112 yeas and 16 nays as follows:

Those who voted in the affirmative were:

Abrams	Farrell	Leppik	Onnen	Smith
Anderson, I.	Garcia	Lieder	Orenstein	Solberg
Anderson, R. H.	Goodno	Limmer	Orfield	Sparby
Battaglia	Greenfield	Long	Osthoff	Stanius
Bauerly	Gruenes	Lourey	Ostrom	Steensma
Beard	Hanson	Lynch	Ozment	Swenson
Begich	Hartle	Macklin	Pauly	Thompson
Bertram	Hausman	Mariani	Pellow	Tompkins
Bettermann	Heir	Marsh	Pelowski	Trimble
Blatz	Hufnagle	McEachern	Peterson	Tunheim
Bodahl	Jacobs	McGuire	Pugh	Uphus
Boo	Janezich	McPherson	Reding	Valento
Brown	Jaros	Milbert	Rest	Vellenga
Carlson	Jefferson	Morrison	Rice	Wagenius
Carruthers	Johnson, A.	Munger	Rodosovich	Waltman
Clark	Johnson, R.	Murphy	Rukavina	Weaver
Cooper	Johnson, V.	Nelson, K.	Sarna	Wejcman
Dauner	Kahn	Nelson, S.	Schafer	Welle
Dawkins	Kalis	O'Connor	Scheid	Winter
Dempsey	Kelso	Olsen, S.	Seaberg	Spk. Vanasek
Dille	Krinkie	Olson, E.	Segal	
Dorn	Krueger	Olson, K.	Simoneau	
Erhardt	Lasley	Omann	Skoglund	

Those who voted in the negative were:

Davids	Gutknecht	Jennings	Runbeck
Frederick	Haukoos	Kinkel	Schreiber
Frerichs	Henry	Koppendrayer	Sviggrum
Girard	Hugoson	Newinski	Welker

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

S. F. No. 351 was reported to the House.

Carruthers moved to amend S. F. No. 351, as follows:

Page 2, line 15, after the period, insert "Complaints stating the signer's knowledge also may be filed by members of the law enforcement agency."

Page 2, line 17, before the period, insert "2 witness statements, and the investigating agency's investigative reports"

Page 3, line 20, delete "release" and insert "provide" and after "photograph" insert "of an officer"

Page 3, line 21, before the period, insert "for it to display to a prospective witness as part of the authority's investigation"

The motion prevailed and the amendment was adopted.

S. F. No. 351, A bill for an act relating to peace officers; guaranteeing peace officers certain rights when a formal statement is taken for disciplinary purposes; proposing coding for new law in Minnesota Statutes, chapter 626.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 112 yeas and 19 nays as follows:

Those who voted in the affirmative were:

Abrams	Goodno	Lasley	Omann	Simoneau
Anderson, I.	Greenfield	Leppik	Onnen	Skoglund
Battaglia	Gruenes	Lieder	Orenstein	Smith
Bauerly	Gutknecht	Limmer	Orfield	Solberg
Beard	Hanson	Long	Osthoff	Sparby
Begich	Hartle	Lourey	Ostrom	Stanius
Bertram	Hasskamp	Lynch	Ozment	Steensma
Bishop	Hausman	Macklin	Pauly	Swenson
Blatz	Heir	Marsh	Pellow	Thompson
Boo	Henry	McEachern	Pelowski	Trimble
Brown	Hufnagle	McGuire	Peterson	Tunheim
Carlson	Jacobs	McPherson	Pugh	Valento
Carruthers	Janezich	Milbert	Reding	Vellenga
Clark	Jaros	Morrison	Rest	Wagenius
Cooper	Jefferson	Munger	Rice	Weaver
Dauner	Johnson, A.	Murphy	Rodosovich	Wejcman
Dempsey	Johnson, R.	Nelson, K.	Rukavina	Welle
Dille	Kahn	Nelson, S.	Runbeck	Wenzel
Dorn	Kalis	Newinski	Sarna	Winter
Erhardt	Kelso	O'Connor	Scheid	Spk. Vanasek
Farrell	Kinkel	Olsen, S.	Schreiber	
Frederick	Krinkie	Olson, E.	Seaberg	
Garcia	Krueger	Olson, K.	Segal	

Those who voted in the negative were:

Anderson, R. H.	Dawkins	Hugoson	Mariani	Uphus
Bettermann	Frerichs	Jennings	Schafer	Waltman
Bodahl	Girard	Johnson, V.	Sviggum	Welker
Dauids	Haukoos	Koppendrayer	Tompkins	

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

S. F. No. 1053 was reported to the House.

Macklin and Milbert moved to amend S. F. No. 1053, as follows:

Page 56, after line 27, insert:

“Sec. 74. Minnesota Statutes 1990, section 466.05, subdivision 1, is amended to read:

Subdivision 1. [NOTICE REQUIRED.] Except as provided in ~~subdivisions~~ subdivision 2 and 3, every person, whether plaintiff, defendant or third party plaintiff or defendant, who claims damages from any municipality or municipal employee acting within the scope of employment for or on account of any loss or injury within the scope of section 466.02 shall cause to be presented to the governing body of the municipality within 180 days after the alleged loss or injury is discovered a notice stating the time, place and circumstances thereof, the names of the municipal employees known to be involved, and the amount of compensation or other relief demanded. Actual notice of sufficient facts to reasonably put the governing body of the municipality or its insurer on notice of a possible claim shall be construed to comply with the notice requirements of this section. Failure to state the amount of compensation or other relief demanded does not invalidate the notice; but in such case, the claimant shall furnish full information regarding the nature and extent of the injuries and damages within 15 days after demand by the municipality. The time for giving such notice does not include the time, during which the person injured is incapacitated by the injury from giving the notice.”

Renumber the sections in sequence

Correct internal references in explanation sections

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Milbert moved to amend S. F. No. 1053, as amended, as follows:

Page 89, line 7, reinstate the stricken language

Page 89, line 8, reinstate the stricken “received pursuant to” and after the stricken “8” insert “section 124.2713”

Page 89, line 9, reinstate the stricken “and”

Page 89, delete section 9

Page 89, lines 25 and 26, reinstate the stricken language

Page 89, line 26, strike "124.271" and insert "124.2715" and after "subdivision" strike "7" and insert "2"

Page 92, line 9, after the stricken "per capita" insert "community education" and reinstate "aid pursuant to"

Page 92, line 10, reinstate "section" and after the stricken "124.271" insert "124.2713" and reinstate the stricken "or"

ReNUMBER the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 1053, 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 1990, sections 3C.04, subdivision 3; 14.47, subdivision 5; 15.39, subdivision 2; 15.45, subdivision 1; 16B.06, subdivision 2a; 16B.19, subdivision 2b; 16B.21, subdivision 1; 16B.405, subdivision 2; 18B.05, subdivision 1; 27.138, subdivision 4; 41A.066, subdivision 1; 60A.13, subdivision 3a; 60B.25; 62E.19, subdivision 1; 84B.09; 86B.415, subdivision 1; 89.37, subdivision 4; 97A.101, subdivision 2; 103A.405; 103B.211, subdivision 4; 103F.215, subdivision 1; 103G.545, subdivision 2; 115A.06, subdivision 4; 115B.25, subdivision 4; 115B.26, subdivisions 1 and 4; 115B.30, subdivision 1; 115B.31; 115B.32, subdivision 1; 115B.33, subdivision 1; 115B.34; 115B.36; 115C.08, subdivision 5; 115D.02; 116.733; 116J.68, subdivision 2; 121.88, subdivision 5; 123.702, subdivision 2; 124.195, subdivision 9; 124.225, subdivision 8l; 124.245, subdivision 6; 124A.036, subdivision 5; 125.032, subdivision 2; 126.036; 126.071, subdivision 1; 127.19; 136.82, subdivision 1; 144.49, subdivision 8; 144.804, subdivision 1; 144.8097, subdivision 2; 144A.29, subdivisions 2 and 3; 147.01, subdivision 1; 148.03; 148.52; 148.90, subdivision 3; 150A.02, subdivision 1; 151.03; 152.022, subdivision 1; 152.023, subdivision 2; 153.02; 154.22; 156.01; 161.17, subdivision 2; 168.325, subdivision 3; 222.63, subdivision 4; 237.161, subdivision 1; 256.035, subdivision 8; 256B.059, subdivision 4; 268.38, subdivision 12; 270.42; 273.1392; 273.1398, subdivision 5a; 275.065, subdivision 1; 275.50, subdivision 5; 290A.04, subdivision 2h; 297A.25, subdivision 8; 298.17; 299A.24, subdivision 1; 299A.41, subdivision 1; 299F.361, subdivision 1; 299F.451, subdivision 1; 299F.72, subdivision 1; 317A.021, subdivision 7; 325E.045, subdivision 1; 326.04; 341.01; 354A.094, subdivi-

sion 7; 356.215, subdivision 4d; 356.216; 384.14; 386.63, subdivision 1; 400.03, subdivision 1; 423.806, subdivision 1; 446A.10, subdivision 2; 469.129, subdivision 1; 473.844, subdivision 1; 473.845, subdivision 1; 508.36; 529.16; 551.05, subdivision 1; 571.75, subdivision 2; 571.81, subdivision 2; 604.06; 609.531, subdivision 1; 609.892, subdivision 1; Laws 1990, chapter 562, article 8, section 38; chapter 602, article 2, section 10; and chapter 606, article 4, section 1, subdivisions 2 and 6; reenacting Minnesota Statutes 1988, section 169.126, subdivision 2, as amended; repealing Minnesota Statutes 1990, sections 103B.211, subdivision 5; 103I.005, subdivision 18; 117.31; 124.47; 171.015, subdivision 4; 299F.362, subdivision 8; 474A.081, subdivisions 1, 2, and 4; 593.40, subdivision 6; and 626A.21.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frichs	Kinkel	Olson, K.	Smith
Anderson, I.	Garcia	Koppendrayer	Omman	Solberg
Anderson, R. H.	Girard	Krinkie	Onnen	Sparby
Battaglia	Goodno	Krueger	Orenstein	Stanius
Bauerly	Greenfield	Lasley	Orfield	Steensma
Beard	Gruenes	Leppik	Osthoff	Sviggum
Begich	Gutknecht	Lieder	Ostrom	Swenson
Bertram	Hanson	Limmer	Ozment	Thompson
Bettermann	Hartle	Long	Pauly	Tompkins
Bishop	Hasskamp	Lourey	Pellow	Trimble
Blatz	Haukoos	Lynch	Pelowski	Tunheim
Bodahl	Hausman	Macklin	Peterson	Uphus
Boo	Heir	Mariani	Pugh	Valento
Brown	Henry	Marsh	Reding	Vellenga
Carlson	Hufnagle	McEachern	Rest	Wagenius
Carruthers	Hugoson	McGuire	Rice	Waltman
Clark	Jacobs	McPherson	Rodosovich	Weaver
Cooper	Janezich	Milbert	Rukavina	Wejcman
Dauner	Jaros	Morrison	Runbeck	Welker
Davids	Jefferson	Munger	Sarna	Welle
Dawkins	Jennings	Murphy	Schafer	Wenzel
Dempsey	Johnson, A.	Nelson, K.	Scheid	Winter
Dille	Johnson, R.	Nelson, S.	Schreiber	Spk. Vanasek
Dorn	Johnson, V.	Newinski	Seaberg	
Erhardt	Kahn	O'Connor	Segal	
Farrell	Kalis	Olson, S.	Simoneau	
Frederick	Kelso	Olson, E.	Skoglund	

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

S. F. No. 962 was reported to the House.

Johnson, A., moved that S. F. No. 962 be temporarily laid over on Special Orders. The motion prevailed.

S. F. No. 561 was reported to the House.

Johnson, A., moved that S. F. No. 561 be temporarily laid over on Special Orders. The motion prevailed.

H. F. No. 871 was reported to the House.

Farrell moved to amend H. F. No. 871, the first engrossment, as follows:

Page 1, line 20, strike "electric"

Page 3, line 20, strike "state"

Page 4, line 2, delete "observes" and insert "reviews"

Page 4, line 23, delete "and may include, at the discretion of the board,"

Page 5, delete section 11

Page 7, line 3, strike "a licensed" and insert "an"

Page 12, line 22, after "denied" insert a comma

Page 16, line 10, after "committee" insert a comma

Page 16, after line 26, insert:

"Sec. 29. Minnesota Statutes 1990, section 326.242, subdivision 12, is amended to read:

Subd. 12. [EXEMPTIONS FROM LICENSING.] (a) A maintenance electrician who is supervised by the responsible master electrician for an electrical contractor who has contracted with the maintenance electrician's employer to provide services for which an electrical contractor's license is required or by a master electrician or an electrical engineer registered with the board and who is an employee of an employer and is engaged in the maintenance, and repair of electrical equipment, apparatus, and facilities owned or leased by the employer, and performed within the limits of property which is owned or leased and operated and maintained by said employer, shall not be required to hold or obtain a license under sections 326.241 to 326.248; or

(b) Employees of a licensed alarm and communication contractor are not required to hold a license under sections 326.241 to 326.248

while performing work authorized to be conducted by an alarm and communication contractor; or

(c) Employees of any electric, communications, or railway utility, or a telephone company as defined under section 237.01 or its employees, or of any independent contractor performing work on behalf of any such utility or telephone company, shall not be required to hold a license under sections 326.241 to 326.248:

1. While performing work on installations, materials, or equipment which are owned or leased, and operated and maintained by such utility or telephone company in the exercise of its utility or telephone function, and which

(i) are used exclusively for the generation, transformation, distribution, transmission, or metering of electric current, or the operation of railway signals, or the transmission of intelligence and do not have as a principal function the consumption or use of electric current by or for the benefit of any person other than such utility or telephone company, and

(ii) are generally accessible only to employees of such utility or telephone company or persons acting under its control or direction, and

(iii) are not on the load side of the meter; or

2. While performing work on installations, materials, or equipment which are a part of the street lighting operations of such utility; or

3. While installing or performing work on outdoor area lights which are directly connected to a utility's distribution system and located upon the utility's distribution poles, and which are generally accessible only to employees of such utility or persons acting under its control or direction; or

(d) An owner shall not be required to hold or obtain a license under sections 326.241 to 326.248."

Page 18, after line 35, insert:

"Sec. 33. Minnesota Statutes 1990, section 326.245, is amended to read:

326.245 [MANUFACTURING, INSTALLATION, ALTERATION, OR REPAIR OF ELECTRICAL APPARATUS; EXEMPT.]

Electrical components, apparatus or appliances being manufactured within the limits of property which is owned or leased by a

manufacturer and such manufacturer's production employees shall not be covered by sections 326.241 to 326.248. Installation, alteration, or repair of electrical appliance units, except (a) electrical wiring to the unit, or (b) original wiring in or on the unit installed outside the limits of property which is owned or leased by a manufacturer shall not be covered by ~~sections 326.241, 326.242, and 326.244 to 326.248~~ this chapter. For purposes of this section, "electrical appliance units" means all electrical and natural gas appliances that use electricity including, but not limited to, furnaces, water heaters, stoves, clothes washers, dryers, air conditioners, dishwashers, and humidifiers."

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 7 and 8, delete ", and by adding a subdivision"

Page 1, line 9, before "and" insert "12,"

Page 1, line 10, after "subdivision;" insert "326.245;"

The motion prevailed and the amendment was adopted.

Farrell moved to amend H. F. No. 871, the first engrossment, as amended, as follows:

Page 13, line 2, after the period insert "The complaint committee shall not issue a temporary suspension order until an investigation of the facts has been conducted pursuant to section 214.10 by the attorney general. The complaint committee shall issue a temporary suspension order only when the safety of life or property is threatened or to prevent the commission of fraudulent, deceptive, or dishonest acts against the public."

Page 13, line 36, after the period insert "The complaint committee shall not issue a cease and desist order until an investigation of the facts has been conducted pursuant to section 214.10 by the attorney general."

Page 18, line 28, after the period insert "With respect to electrical work performed at or records kept in an occupied private dwelling, all inspections permitted by this subdivision shall occur during normal business hours and shall be preceded by advance notice, which need not be in writing."

The motion prevailed and the amendment was adopted.

Lasley moved to amend H. F. No. 871, the first engrossment, as amended, as follows:

Page 10, delete lines 35 and 36

Page 11, delete lines 1 to 5

Page 11, line 6, delete "(d)" and insert "(c)"

The motion prevailed and the amendment was adopted.

Welker moved to amend H. F. No. 871, the first engrossment, as amended, as follows:

Page 18, line 25, delete "or where records"

Page 18, line 26, delete "concerning the performance of electrical work are kept"

A roll call was requested and properly seconded.

The question was taken on the Welker amendment and the roll was called. There were 62 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Johnson, V.	Newinski	Smith
Anderson, R. H.	Frerichs	Kalis	Olson, K.	Stanius
Bertram	Girard	Koppendrayer	Omman	Sviggum
Bettermann	Goodno	Krinkie	Onnen	Tompkins
Blatz	Gruenes	Lasley	Ostrom	Uphus
Boo	Gutknecht	Leppik	Ozment	Valento
Brown	Hartle	Limmer	Pauly	Waltman
Cooper	Hasskamp	Lynch	Pellow	Weaver
Davids	Haukoos	Macklin	Peterson	Welker
Dempsey	Heir	Marsh	Runbeck	Welle
Dille	Henry	McPherson	Schafer	
Dorn	Hufnagle	Morrison	Schreiber	
Erhardt	Hugoson	Munger	Seaberg	

Those who voted in the negative were:

Anderson, I.	Farrell	Johnson, R.	Milbert	Pugh
Battaglia	Garcia	Kahn	Murphy	Rest
Bauerly	Greenfield	Kelso	Nelson, K.	Rice
Beard	Hanson	Kinkel	Nelson, S.	Rodosovich
Begich	Hausman	Krueger	O'Connor	Rukavina
Bodahl	Jacobs	Lieder	Olsen, S.	Sarna
Carlson	Janezich	Long	Olson, E.	Scheid
Carruthers	Jaros	Lourey	Orenstein	Segal
Clark	Jefferson	Mariani	Orfield	Simoneau
Dauner	Jennings	McEachern	Osthoff	Skoglund
Dawkins	Johnson, A.	McGuire	Pelowski	Solberg

Sparby	Thompson	Vellenga	Wenzel
Steensma	Trimble	Wagenius	Winter
Swenson	Tunheim	Wejzman	Spk. Vanasek

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

H. F. No. 871, A bill for an act relating to employment; board of electricity; clarifying definitions; providing for a complaint committee; clarifying and adding duties of the board; providing penalties; amending *Minnesota Statutes 1990*, sections 326.01, subdivisions 2, 3, 4, 5, 6, 6a, and by adding subdivisions; 326.241, subdivision 2; 326.242, subdivisions 1, 2, 3, 4, 5, 6, 9, 12, and by adding subdivisions; 326.244, subdivisions 4, 5, and by adding a subdivision; 326.245; and 326.246.

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 67 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Hanson	Lieder	Olson, E.	Simoneau
Battaglia	Hartle	Long	Orenstein	Skoglund
Beard	Hausman	Lourey	Orfield	Solberg
Begich	Jacobs	Mariani	Osthoff	Swenson
Boo	Janezich	McEachern	Pelowski	Trimble
Carlson	Jaros	McGuire	Pugh	Vellenga
Carruthers	Jefferson	Milbert	Reding	Wagenius
Clark	Jennings	Munger	Rest	Wejzman
Dawkins	Johnson, A.	Murphy	Rice	Wenzel
Dorn	Johnson, R.	Nelson, K.	Rodosovich	Winter
Farrell	Kahn	Nelson, S.	Rukavina	Spk. Vanasek
Garcia	Kalis	Newinski	Sarna	
Goodno	Kinkel	O'Connor	Scheid	
Greenfield	Krueger	Olsen, S.	Segal	

Those who voted in the negative were:

Abrams	Erhardt	Kelso	Onnen	Sviggum
Anderson, R. H.	Frederick	Koppendrayner	Ostrom	Thompson
Bertram	Frerichs	Krinkie	Ozment	Tompkins
Bettermann	Girard	Lasley	Pauly	Tunheim
Bishop	Gruenes	Leppik	Pellow	Uphus
Blatz	Gutknecht	Limmer	Peterson	Valento
Bodahl	Hasskamp	Lynch	Schafer	Waltman
Brown	Haukoos	Macklin	Schreiber	Weaver
Cooper	Heir	Marsh	Seaberg	Welker
Dauner	Henry	McPherson	Smith	Welle
Davids	Hufnagle	Morrison	Sparby	
Dempsey	Hugoson	Olson, K.	Stanisus	
Dille	Johnson, V.	Omann	Steensma	

The bill was not passed, as amended.

S. F. No. 561 which was temporarily laid over earlier today was again reported to the House.

S. F. No. 561, A bill for an act relating to natural resources; authorizing certain minors to harvest wild rice without a license; amending Minnesota Statutes 1990, section 84.091, 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kelso	Olsen, S.	Segal
Anderson, I.	Garcia	Kinkel	Olson, E.	Simoneau
Anderson, R. H.	Girard	Koppendrayner	Olson, K.	Skoglund
Battaglia	Goodno	Krinkie	Omann	Smith
Bauerly	Greenfield	Krueger	Onnen	Solberg
Beard	Gruenes	Lasley	Orenstein	Sparby
Begich	Gutknecht	Leppik	Orfield	Stanius
Bertram	Hanson	Lieder	Osthoff	Steensma
Bettermann	Hartle	Limmer	Ostrom	Sviggum
Blatz	Hasskamp	Long	Ozment	Swenson
Bodahl	Haukoos	Lourey	Pauly	Thompson
Boo	Hausman	Lynch	Pellow	Tompkins
Brown	Heir	Macklin	Pelowski	Trimble
Carlson	Henry	Mariani	Peterson	Tunheim
Carruthers	Hufnagle	Marsh	Pugh	Uphus
Clark	Hugoson	McEachern	Reding	Valento
Cooper	Jacobs	McGuire	Rest	Vellenga
Dauner	Janezich	McPherson	Rice	Wagenius
Davids	Jaros	Milbert	Rodosovich	Waltman
Dawkins	Jefferson	Morrison	Rukavina	Weaver
Dempsey	Jennings	Munger	Runbeck	Wejcman
Dille	Johnson, A.	Murphy	Sarna	Welker
Dorn	Johnson, R.	Nelson, K.	Schafer	Welle
Erhardt	Johnson, V.	Nelson, S.	Scheid	Wenzel
Farrell	Kahn	Newinski	Schreiber	Winter
Frederick	Kalis	O'Connor	Seaberg	Spk. Vanasek

The bill was passed and its title agreed to.

S. F. No. 762 was reported to the House.

Macklin moved to amend S. F. No. 762, as follows:

Page 2, line 29, after "a" insert "minor"

The motion prevailed and the amendment was adopted.

S. F. No. 762, A bill for an act relating to health; changing restrictions on disclosing birth record of a child born to an unmarried woman; amending Minnesota Statutes 1990, section 144.225, subdivisions 2 and 4.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Olson, K.	Smith
Anderson, I.	Garcia	Koppendrayner	Omann	Solberg
Anderson, R. H.	Girard	Krinkie	Onnen	Sparby
Battaglia	Goodno	Krueger	Orenstein	Stanius
Bauerly	Greenfield	Lasley	Orfield	Steenasma
Beard	Gruenes	Leppik	Osthoff	Sviggum
Begich	Gutknecht	Lieder	Ostrom	Swenson
Bertram	Hanson	Limmer	Ozment	Thompson
Bettermann	Hartle	Long	Pauly	Tompkins
Bishop	Haaskamp	Lourey	Pellow	Trimble
Blatz	Haukoos	Lynch	Pellowski	Tunheim
Bodahl	Hausman	Macklin	Peterson	Uphus
Boo	Heir	Mariani	Pugh	Valento
Brown	Henry	Marsh	Reding	Vellenga
Carlson	Hufnagle	McEachern	Rest	Wagenius
Carruthers	Hugoson	McGuire	Rice	Waltman
Clark	Jacobs	McPherson	Rodosovich	Weaver
Cooper	Janezich	Milbert	Rukavina	Wejzman
Dauner	Jaros	Morrison	Runbeck	Welker
Davids	Jefferson	Munger	Sarna	Welle
Dawkins	Jennings	Murphy	Schafer	Wenzel
Dempsey	Johnson, A.	Nelson, K.	Scheid	Winter
Dille	Johnson, R.	Nelson, S.	Schreiber	Spk. Vanasek
Dorn	Johnson, V.	Newinski	Seaberg	
Erhardt	Kahn	O'Connor	Segal	
Farrell	Kalis	Olsen, S.	Simoneau	
Frederick	Kelso	Olson, E.	Skoglund	

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

MOTION FOR RECONSIDERATION

Brown moved that the vote whereby H. F. No. 871, as amended, was not passed on Special Orders earlier today be now reconsidered. The motion prevailed.

H. F. No. 871, A bill for an act relating to employment; board of electricity; clarifying definitions; providing for a complaint committee; clarifying and adding duties of the board; providing penalties; amending Minnesota Statutes 1990, sections 326.01, subdivisions 2, 3, 4, 5, 6, 6a, and by adding subdivisions; 326.241, subdivision 2; 326.242, subdivisions 1, 2, 3, 4, 5, 6, 9, 12, and by adding subdivi-

sions; 326.244, subdivisions 4, 5, and by adding a subdivision; 326.245; and 326.246.

The bill, as amended, was placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 68 yeas and 56 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Garcia	Krueger	Orenstein	Simoneau
Battaglia	Greenfield	Lieder	Orfield	Skoglund
Bauerly	Hanson	Long	Osthoff	Solberg
Beard	Hausman	Lourey	Ozment	Sparby
Begich	Jacobs	Mariani	Pelowski	Trimble
Bertram	Janezich	McEachern	Pugh	Tunheim
Brown	Jaros	McGuire	Reding	Vellenga
Carlson	Jefferson	Milbert	Rest	Wagenius
Carruthers	Jennings	Munger	Rice	Wejzman
Clark	Johnson, A.	Murphy	Rodosovich	Wenzel
Dauner	Johnson, R.	Nelson, K.	Rukavina	Winter
Dawkins	Kahn	Nelson, S.	Sarna	Spk. Vanasek
Dorn	Kalis	O'Connor	Scheid	
Farrell	Kinkel	Olson, E.	Segal	

Those who voted in the negative were:

Abrams	Girard	Krinkie	Ostrom	Thompson
Anderson, R. H.	Gruenes	Lasley	Pauly	Tompkins
Bettermann	Gutknecht	Leppik	Pellow	Uphus
Blatz	Hasskamp	Limmer	Peterson	Valento
Bodahl	Haukoos	Lynch	Runbeck	Waltman
Cooper	Heir	Macklin	Schafer	Weaver
Dauids	Henry	Marsh	Schreiber	Welker
Dempsey	Hufnagle	McPherson	Seaberg	Welle
Dille	Hugoson	Morrison	Smith	
Erhardt	Johnson, V.	Olson, K.	Stanisus	
Frederick	Kelso	Omann	Steenasma	
Frerichs	Koppendrayner	Onnen	Sviggum	

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

S. F. No. 962 which was temporarily laid over earlier today was again reported to the House.

S. F. No. 962, A bill for an act relating to natural resources; revising certain provisions regarding the leasing of state-owned iron ore and related minerals; amending Minnesota Statutes 1990, sections 93.16; 93.17, subdivisions 1 and 3; and 93.20, by adding a subdivision; repealing Minnesota Statutes 1990, section 93.20, subdivision 9.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Olsen, S.	Segal
Anderson, I.	Frerichs	Kinkel	Olson, E.	Simoneau
Anderson, R. H.	Garcia	Koppendrayer	Olson, K.	Skoglund
Battaglia	Girard	Krinkie	Omnn	Smith
Bauerly	Goodno	Krueger	Onnen	Solberg
Beard	Gruenes	Lasley	Orenstein	Sparby
Begich	Gutknecht	Leppik	Orfield	Stanius
Bertram	Hanson	Lieder	Osthoff	Steenasma
Bettermann	Hartle	Limmer	Ostrom	Sviggum
Bishop	Hasskamp	Long	Ozment	Swenson
Blatz	Haukoos	Lourey	Pauly	Thompson
Bodahl	Hausman	Lynch	Pellow	Tompkins
Boo	Heir	Macklin	Pelowski	Trimble
Brown	Henry	Mariani	Peterson	Tunheim
Carlson	Hufnagle	Marsh	Pugh	Uphus
Carruthers	Hugoson	McEachern	Reding	Valento
Clark	Jacobs	McGuire	Rest	Vellenga
Cooper	Janezich	McPherson	Rice	Wagenius
Dauner	Jaros	Milbert	Rodosovich	Waltman
Davids	Jefferson	Morrison	Rukavina	Weaver
Dawkins	Jennings	Munger	Runbeck	Wejcmann
Dempsey	Johnson, A.	Murphy	Sarna	Welker
Dille	Johnson, R.	Nelson, K.	Schafer	Welle
Dorn	Johnson, V.	Nelson, S.	Scheid	Wenzel
Erhardt	Kahn	Newinski	Schreiber	Winter
Farrell	Kalis	O'Connor	Seaberg	Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 794 was reported to the House.

Tompkins moved to amend H. F. No. 794, as follows:

Page 2, delete lines 21 to 34 and insert:

“(d) A nursing home, as defined in section 256B.421, may authorize an individual to use for not more than one day a certificate issued to the nursing home, solely to allow the individual using the certificate to transport a physically disabled person who is a resident of the nursing home. A nursing home authorizing the use of a certificate under this paragraph is responsible for appropriate use and the return of the certificate by the end of the day on which its use is so authorized. After August 1, 1993, the commissioner of public safety and the Minnesota council on disability shall review the provisions of this paragraph.”

The motion prevailed and the amendment was adopted.

H. F. No. 794, A bill for an act relating to traffic regulations;

authorizing one-day handicapped certificates for use by vehicles transporting nursing home residents; amending Minnesota Statutes 1990, section 169.345, subdivision 3.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Koppendrayner	Omann	Smith
Anderson, I.	Goodno	Krinkie	Onnen	Solberg
Anderson, R. H.	Greenfield	Krueger	Orenstein	Sparby
Battaglia	Gruenes	Lasley	Orfield	Stanius
Beard	Gutknecht	Leppik	Osthoff	Steensma
Begich	Hanson	Lieder	Ostrom	Sviggum
Bertram	Hartle	Limmer	Ozment	Swenson
Bettermann	Hasskamp	Long	Pauly	Thompson
Blatz	Haukoos	Lourey	Pellow	Tompkins
Bodahl	Hausman	Lynch	Pelowski	Trimble
Boo	Heir	Macklin	Peterson	Tunheim
Brown	Henry	Mariani	Pugh	Uphus
Carlson	Hufnagle	Marsh	Reding	Valento
Clark	Hugoson	McEachern	Rest	Vellenga
Cooper	Jacobs	McGuire	Rice	Wagenius
Dauner	Janezich	McPherson	Rodosovich	Waltman
Davids	Jaros	Milbert	Rukavina	Weaver
Dawkins	Jefferson	Morrison	Runbeck	Wejzman
Dempsey	Jennings	Munger	Sarna	Welker
Dille	Johnson, A.	Murphy	Schafer	Welle
Dorn	Johnson, R.	Nelson, S.	Scheid	Wenzel
Erhardt	Johnson, V.	Newinski	Schreiber	Winter
Farrell	Kahn	O'Connor	Seaberg	Spk. Vanasek
Frederick	Kalis	Olsen, S.	Segal	
Frerichs	Kelso	Olsen, E.	Simoneau	
Garcia	Kinkel	Olsen, K.	Skoglund	

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

S. F. No. 910 was reported to the House.

Johnson, A., moved that S. F. No. 910 be temporarily laid over on Special Orders. The motion prevailed.

S. F. No. 274 was reported to the House.

Johnson, A., moved that S. F. No. 274 be temporarily laid over on Special Orders. The motion prevailed.

S. F. No. 822 was reported to the House.

Johnson, A., moved that S. F. No. 822 be temporarily laid over on Special Orders. The motion prevailed.

H. F. No. 1389, A bill for an act relating to animal health; requiring a study of the feasibility of abolishing mandatory anaplasmosis testing.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kelso	Olsen, S.	Segal
Anderson, I.	Garcia	Kinkel	Olson, E.	Simoneau
Anderson, R. H.	Girard	Koppendrayner	Olson, K.	Skoglund
Battaglia	Goodno	Krinkie	Omann	Smith
Bauerly	Greenfield	Krueger	Onnen	Solberg
Beard	Gruenes	Lasley	Orenstein	Sparby
Begich	Gutknecht	Leppik	Orfield	Stanisus
Bertram	Hanson	Lieder	Osthoff	Steenasma
Bettermann	Hartle	Limmer	Ostrom	Svigum
Blatz	Hasskamp	Long	Ozment	Swenson
Bodahl	Haukoos	Lourey	Pauly	Thompson
Boo	Hausman	Lynch	Pellow	Tompkins
Brown	Heir	Macklin	Pelowski	Trimble
Carlson	Henry	Mariani	Peterson	Tunheim
Carruthers	Hufnagle	Marsh	Pugh	Uphus
Clark	Hugoson	McEachern	Reding	Valento
Cooper	Jacobs	McGuire	Rest	Vellenga
Dauner	Janezich	McPherson	Rice	Wagenius
Davids	Jaros	Milbert	Rodosovich	Waltman
Dawkins	Jefferson	Morrison	Rukavina	Weaver
Dempsey	Jennings	Munger	Runbeck	Wejzman
Dille	Johnson, A.	Murphy	Sarna	Welker
Dorn	Johnson, R.	Nelson, K.	Schafer	Welle
Erhardt	Johnson, V.	Nelson, S.	Scheid	Wenzel
Farrell	Kahn	Newinski	Schreiber	Winter
Frederick	Kalis	O'Connor	Seaberg	Spk. Vanasek

The bill was passed and its title agreed to.

Speaker pro tempore Bauerly called Krueger to the Chair.

H. F. No. 1132, A bill for an act relating to natural resources; providing for enforcement of sanctions for hunting while under the influence of alcohol or a controlled substance; amending Minnesota Statutes 1990, section 97B.065; proposing coding for new law in Minnesota Statutes, chapter 97B.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Koppendrayer	Omann	Smith
Anderson, I.	Garcia	Krinkie	Onnen	Solberg
Anderson, R. H.	Girard	Krueger	Orenstein	Sparby
Battaglia	Goodno	Leppik	Orfield	Stanius
Bauerly	Greenfield	Lieder	Osthoff	Steensma
Beard	Gruenes	Limmer	Ostrom	Sviggum
Bertram	Gutknecht	Long	Ozment	Swenson
Bettermann	Hanson	Lourey	Pauly	Thompson
Blatz	Hartle	Lynch	Pellow	Tompkins
Bodahl	Haukoos	Macklin	Pelowski	Trimble
Boo	Hausman	Mariani	Peterson	Tunheim
Brown	Heir	Marsh	Pugh	Uphus
Carlson	Henry	McEachern	Rest	Valento
Carruthers	Hufnagle	McPherson	Rice	Vellenga
Clark	Hugoson	Milbert	Rodosovich	Wagenius
Cooper	Jacobs	Morrison	Rukavina	Waltman
Dauner	Jefferson	Munger	Runbeck	Weaver
Davids	Jennings	Murphy	Sarna	Wejeman
Dawkins	Johnson, A.	Nelson, K.	Schafer	Welker
Dempsey	Johnson, R.	Nelson, S.	Scheid	Welle
Dille	Johnson, V.	Newinski	Schreiber	Wenzel
Dorn	Kahn	O'Connor	Seaberg	Winter
Erhardt	Kalis	Olsen, S.	Segal	Spk. Vanasek
Farrell	Kelso	Olsen, E.	Simoneau	
Frederick	Kinkel	Olson, K.	Skoglund	

The bill was passed and its title agreed to.

S. F. No. 785 was reported to the House.

Abrams and Osthoff moved to amend S. F. No. 785, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 48.92, subdivision 7, is amended to read:

Subd. 7. [RECIPROCATING STATE.] “Reciprocating state” is: (1) a state that authorizes the acquisition, directly or indirectly, or control of, banks in that state by a bank or bank holding company located in this state under conditions substantially similar to those imposed by the laws of Minnesota as determined by the commissioner; and (2) limited to the states of Iowa, North Dakota, South Dakota, Wisconsin, Colorado, Idaho, Illinois, Indiana, Kansas, Missouri, Montana, Nebraska, Washington, and Wyoming.”

Delete the title and insert:

“A bill for an act relating to financial institutions; permitting

interstate banking with any reciprocating state; amending Minnesota Statutes 1990, section 48.92, subdivision 7.”

A roll call was requested and properly seconded.

The question was taken on the Abrams and Osthoff amendment and the roll was called. There were 23 yeas and 101 nays as follows:

Those who voted in the affirmative were:

Abrams	Henry	Morrison	Schafer	Sviggum
Blatz	Hugoson	Omann	Scheid	Weaver
Frerichs	Koppendrayner	Osthoff	Schreiber	Welker
Girard	Krinkie	Pauly	Smith	
Haukoos	Limmer	Pellow	Stanius	

Those who voted in the negative were:

Anderson, I.	Frederick	Kalis	Olson, E.	Solberg
Anderson, R. H.	Garcia	Kelso	Olson, K.	Sparby
Battaglia	Goodno	Kinkel	Onnen	Steensma
Bauerly	Greenfield	Krueger	Orenstein	Swenson
Beard	Gruenes	Lasley	Orfield	Thompson
Begich	Gutknecht	Lieder	Ostrom	Trimble
Bertram	Hanson	Long	Ozment	Tunheim
Bettermann	Hartle	Lourey	Felowski	Uphus
Bodahl	Hasskamp	Lynch	Peterson	Valento
Boo	Hausman	Mariani	Pugh	Vellenga
Brown	Heir	Marsh	Reding	Wagenius
Carlson	Hufnagle	McEachern	Rest	Waltman
Carruthers	Jacobs	McGuire	Rice	Wejzman
Clark	Janezich	McPherson	Rodosovich	Welle
Cooper	Jaros	Milbert	Rukovina	Wenzel
Dauner	Jefferson	Munger	Runbeck	Winter
Davids	Jennings	Murphy	Sarna	Spk. Vanasek
Dawkins	Johnson, A.	Nelson, K.	Seaberg	
Dille	Johnson, R.	Nelson, S.	Segal	
Dorn	Johnson, V.	Newinski	Simoneau	
Farrell	Kahn	O'Connor	Skoglund	

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

Skoglund moved to amend S. F. No. 785, as follows:

Page 1, after line 17, insert:

“Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1992.”

The motion prevailed and the amendment was adopted.

S. F. No. 785, A bill for an act relating to financial institutions;

permitting interstate banking with additional reciprocating states; amending Minnesota Statutes 1990, section 48.92, subdivision 7.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 122 yeas and 7 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Koppendrayner	Omann	Smith
Anderson, I.	Goodno	Krinkie	Orenstein	Solberg
Anderson, R. H.	Greenfield	Krueger	Orfield	Sparby
Battaglia	Gruenes	Lasley	Osthoff	Stanius
Bauerly	Gutknecht	Leppik	Ostrom	Steenasma
Beard	Hanson	Lieder	Ozment	Sviggum
Begich	Hartle	Limmer	Pauly	Swenson
Bertram	Hasskamp	Long	Pellow	Tompkins
Bettermann	Haukoos	Lourey	Pelowski	Trimble
Blatz	Hausman	Lynch	Peterson	Tunheim
Bodahl	Heir	Macklin	Pugh	Uphus
Boo	Henry	McEachern	Reding	Valento
Brown	Hugoson	McGuire	Rest	Vellenga
Carlson	Jacobs	McPherson	Rice	Wagenius
Carruthers	Janezich	Milbert	Rodosovich	Waltman
Cooper	Jaros	Morrison	Rukavina	Weaver
Dauner	Jefferson	Munger	Runbeck	Wejzman
Dawkins	Jennings	Murphy	Sarna	Welker
Dempsey	Johnson, A.	Nelson, K.	Schafer	Welle
Dille	Johnson, R.	Nelson, S.	Scheid	Wenzel
Dorn	Johnson, V.	Newinski	Schreiber	Winter
Farrell	Kahn	O'Connor	Seaberg	Spk. Vanasek
Frederick	Kalis	Olson, S.	Segal	
Frerichs	Kelso	Olson, E.	Simoneau	
Garcia	Kinkel	Olson, K.	Skoglund	

Those who voted in the negative were:

Clark	Hufnagle	Marsh	Thompson
Dauids	Mariani	Onnen	

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

S. F. No. 822 which was temporarily laid over earlier today was again reported to the House.

Pugh moved to amend S. F. No. 822, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 115B.03, is amended by adding a subdivision to read:

Subd. 5. [EMINENT DOMAIN.] (a) The state, an agency of the state, or a political subdivision that acquires property through exercise of the power of eminent domain, or through negotiated purchase after filing a petition for the taking of the property through eminent domain, or adopting a redevelopment or development plan under sections 469.001 to 469.134 describing the property and stating its intended use and the necessity of its taking is not a responsible person under this section solely as a result of the acquisition of the property.

(b) A person who acquires property from the state, an agency of the state, or a political subdivision, is not a responsible person under this section solely as a result of the acquisition of property if the property was acquired by the state, agency, or political subdivision through exercise of the power of eminent domain or by negotiated purchase after filing a petition for the taking of the property through eminent domain or adopting a redevelopment or development plan under sections 469.001 to 469.134 describing the property and stating its intended use and the necessity of its taking.

Sec. 2. Minnesota Statutes 1990, section 115B.03, is amended by adding a subdivision to read:

Subd. 6. [MORTGAGES.] (a) A mortgagee is not a responsible person under this section solely because the mortgagee becomes an owner of real property through foreclosure of the mortgage or by receipt of the deed to the mortgaged property in lieu of foreclosure.

(b) A mortgagee of real property where a facility is located is not an operator of the facility for the purpose of this section solely because the mortgagee has a capacity to influence the operation of the facility to protect its security interest in the real property."

Delete the title and insert:

"A bill for an act relating to the environment; clarifying that certain persons who own or have the capacity to influence operation of property are not responsible persons under the environmental response and liability act solely because of ownership or the capacity to influence operation; amending Minnesota Statutes 1990, section 115B.03, by adding subdivisions."

The motion prevailed and the amendment was adopted.

Pugh moved to amend S. F. No. 822, as amended, as follows:

Page 2, line 12, after "located" insert "or a holder of a security interest in facility assets or inventory"

Page 2, line 13, after "mortgagee" insert "or holder"

Page 2, line 15, after "property" insert "or assets"

Page 2, after line 15, insert:

"Sec. 3. Minnesota Statutes 1990, section 115B.03, is amended by adding a subdivision to read:

Subd. 7. [CONTRACT FOR DEED VENDORS.] A contract for deed vendor who is otherwise not a responsible party for a release or a threatened release of a hazardous substance from a facility is not a responsible person under this section solely as a result of a termination of the contract for deed under section 559.21."

The motion prevailed and the amendment was adopted.

S. F. No. 822, A bill for an act relating to the environment; responsible person for removal and remediation of hazardous waste; providing that the state, an agency of the state, or a political subdivision that acquires property through eminent domain or through negotiated purchase following the filing of eminent domain petition, or any person acquiring from the condemning authority, is not liable as a responsible person solely because of the acquisition; clarifying the status of mortgagees and contract for deed vendors as responsible persons; amending Minnesota Statutes 1990, section 115B.03, 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	Dauner	Hartle	Kalis	McPherson
Anderson, I.	Dauids	Hasskamp	Kelso	Milbert
Anderson, R. H.	Dawkins	Haukoos	Kinkel	Morrison
Battaglia	Dempsey	Hausman	Koppendrayner	Munger
Bauerly	Dille	Heir	Krinkie	Murphy
Beard	Dorn	Henry	Krueger	Nelson, K.
Begich	Erhardt	Hufnagle	Lasley	Nelson, S.
Bertram	Farrell	Hugoson	Leppik	Newinski
Bettermann	Frederick	Jacobs	Lieder	O'Connor
Blatz	Frerichs	Janezich	Limmer	Olsen, S.
Bodahl	Garcia	Jaros	Long	Olson, E.
Boo	Girard	Jefferson	Lourey	Olson, K.
Brown	Goodno	Jennings	Lynch	Omann
Carlson	Greenfield	Johnson, A.	Mariani	Onnen
Carruthers	Gruenes	Johnson, R.	Marsh	Orenstein
Clark	Gutknecht	Johnson, V.	McEachern	Orfield
Cooper	Hanson	Kahn	McGuire	Osthoff

Ostrom	Rice	Segal	Swenson	Waltman
Ozment	Rodosovich	Simoneau	Thompson	Weaver
Pauly	Rukavina	Skoglund	Tompkins	Wejzman
Pellow	Runbeck	Smith	Trimble	Welker
Pelowski	Sarna	Solberg	Tunheim	Welle
Peterson	Schafer	Sparby	Uphus	Wenzel
Pugh	Scheid	Stanius	Valento	Winter
Reding	Schreiber	Steenasma	Vellenga	Spk. Vanasek
Rest	Seaberg	Sviggum	Wagenius	

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

S. F. No. 274 which was temporarily laid over earlier today was again reported to the House.

S. F. No. 274, A bill for an act relating to regulation of dangerous dogs; providing for designation of a warning symbol to inform children of the presence of a dangerous dog; amending Minnesota Statutes 1990, section 347.51, by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abrams	Ferichs	Kelso	Olsen, S.	Segal
Anderson, I.	Garcia	Kinkel	Olson, E.	Simoneau
Anderson, R. H.	Girard	Koppendrayer	Olson, K.	Skoglund
Battaglia	Goodno	Krinkie	Omann	Smith
Bauerly	Greenfield	Krueger	Onnen	Solberg
Beard	Gruenes	Lasley	Orenstein	Sparby
Begich	Gutknecht	Leppik	Orfield	Stanius
Bertram	Hanson	Lieder	Osthoff	Steenasma
Bettermann	Hartle	Limmer	Ostrom	Sviggum
Bishop	Hasskamp	Long	Ozment	Swenson
Blatz	Haukoos	Lourey	Pauly	Thompson
Bodahl	Hausman	Lynch	Pellow	Tompkins
Boo	Heir	Macklin	Pelowski	Trimble
Carlson	Henry	Mariani	Peterson	Tunheim
Carruthers	Hufnagle	Marsh	Pugh	Uphus
Clark	Hugoson	McEachern	Reding	Valento
Cooper	Jacobs	McGuire	Rest	Vellenga
Dauner	Janezich	McPherson	Rice	Wagenius
Dauids	Jaros	Milbert	Rodosovich	Waltman
Dawkins	Jefferson	Morrison	Rukavina	Weaver
Dempsey	Jennings	Munger	Runbeck	Wejzman
Dille	Johnson, A.	Murphy	Sarna	Welle
Dorn	Johnson, R.	Nelson, K.	Schafer	Wenzel
Erhardt	Johnson, V.	Nelson, S.	Scheid	Winter
Farrell	Kahn	Newinski	Schreiber	Spk. Vanasek
Frederick	Kalis	O'Connor	Seaberg	

Those who voted in the negative were:

Brown	Welker
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The bill was passed and its title agreed to.

Onnen was excused while in conference.

S. F. No. 86, A bill for an act relating to education; providing for the arbitration of disputes concerning the proposed termination, discharge, or demotion of teachers following the probationary period; amending Minnesota Statutes 1990, sections 125.12, subdivision 4, and by adding a subdivision; 125.17, subdivision 5, and by adding a subdivision; 179A.04, subdivision 3; and 179A.20, subdivision 4.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kalis	Olsen, S.	Simoneau
Anderson, I.	Frerichs	Kelso	Olson, E.	Skoglund
Anderson, R.	Garcia	Kinkel	Olson, K.	Smith
Anderson, R. H.	Girard	Koppendrayer	Omann	Solberg
Battaglia	Goodno	Krinkie	Orenstein	Sparby
Bauerly	Greenfield	Krueger	Orfield	Stanius
Beard	Gruenes	Lasley	Osthoff	Steenma
Begich	Gutknecht	Leppik	Ostrom	Svigum
Bertram	Hanson	Lieder	Ozment	Swenson
Bettermann	Hartle	Long	Pauly	Thompson
Bishop	Hasskamp	Lourey	Pellow	Tompkins
Blatz	Haukoos	Lynch	Pelowski	Trimble
Bodahl	Hausman	Macklin	Peterson	Tunheim
Brown	Heir	Mariani	Pugh	Uphus
Carlson	Henry	Marsh	Reding	Valento
Carruthers	Hufnagle	McEachern	Rest	Vellenga
Clark	Hugoson	McGuire	Rice	Wagenius
Cooper	Jacobs	McPherson	Rodosovich	Waltman
Dauner	Janezich	Milbert	Rukavina	Weaver
Davids	Jaros	Morrison	Runbeck	Wejcmán
Dawkins	Jefferson	Munger	Sarna	Welker
Dempsey	Jennings	Murphy	Schafer	Welle
Dille	Johnson, A.	Nelson, K.	Scheid	Wenzel
Dorn	Johnson, R.	Nelson, S.	Schreiber	Winter
Erhardt	Johnson, V.	Newinski	Seaberg	Spk. Vanasek
Farrell	Kahn	O'Connor	Segal	

The bill was passed and its title agreed to.

S. F. No. 1178 was reported to the House.

Weaver moved to amend S. F. No. 1178, as follows:

Page 1, after line 5, insert:

“Section 1. Minnesota Statutes 1990, section 204B.36, subdivision 2, is amended to read:

Subd. 2. [CANDIDATES AND OFFICES.] The name of each candidate shall be printed at a right angle to the length of the ballot. At a general election the name of the political party or the political principle of each candidate for partisan office shall be printed above or below the name of the candidate. The name of a political party or a political principle shall be printed in capital and lower case letters of the same type, with the capital letters at least one-half the height of the capital letters used for names of the candidates. At a general election, blank lines shall be printed below the name of the last candidate for each office, or below the title of the office if no candidate has filed for that office, so that a voter may write in the names of individuals whose names are not on the ballot. One blank line shall be printed for each officer of that kind to be elected. At a primary election, no blank lines shall be provided for writing in the names of individuals whose names do not appear on the primary ballot.

On the left side of the ballot at the same level with the name of each candidate and each blank line shall be printed a square in which the voter may designate a vote by a mark (X). Each square shall be the same size. Above the first name on each ballot shall be printed the words, “Put an (X) in the square opposite the name of each candidate you wish to vote for.” At the same level with these words and directly above the squares shall be printed a small arrow pointing downward. Directly underneath the official title of each office shall be printed the words “Vote for one” (or ~~more, according to~~ the “Vote for up to ...” (any greater number to be elected).”

Page 1, line 11, strike “an” and insert “a regularly scheduled”

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 1178, A bill for an act relating to elections; allowing school meetings on certain election days; amending Minnesota Statutes 1990, section 204C.03, 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 130 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Farrell	Kahn	Newinski	Segal
Anderson, I.	Frederick	Kalis	O'Connor	Simoneau
Anderson, R.	Frerichs	Kelso	Olsen, S.	Skoglund
Anderson, R. H.	Garcia	Kinkel	Olson, E.	Smith
Battaglia	Girard	Koppendrayer	Olson, K.	Solberg
Bauerly	Goodno	Krinkie	Orenstein	Sparby
Beard	Greenfield	Krueger	Orfield	Stanius
Begich	Gruenes	Lasley	Osthoff	Steensma
Bertram	Gutknecht	Leppik	Ostrom	Sviggum
Bettermann	Hanson	Lieder	Ozment	Swenson
Bishop	Hartle	Limmer	Pauly	Thompson
Blatz	Hasskamp	Long	Pellow	Tompkins
Bodahl	Haukoos	Lourey	Pelowski	Trimble
Boo	Hausman	Lynch	Peterson	Tunheim
Brown	Heir	Macklin	Pugh	Uphus
Carlson	Henry	Mariani	Reding	Valento
Carruthers	Hufnagle	Marsh	Rest	Vellenga
Clark	Hugoson	McEachern	Rice	Wagenius
Cooper	Jacobs	McGuire	Rodosovich	Waltman
Dauner	Janezich	McPherson	Rukavina	Weaver
Davids	Jaros	Milbert	Runbeck	Wejzman
Dawkins	Jefferson	Morrison	Sarna	Welker
Dempsey	Jennings	Munger	Schafer	Welle
Dille	Johnson, A.	Murphy	Scheid	Wenzel
Dorn	Johnson, R.	Nelson, K.	Schreiber	Winter
Erhardt	Johnson, V.	Nelson, S.	Seaberg	Spk. Vanasek

Those who voted in the negative were:

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

S. F. No. 302 was reported to the House.

Jennings offered an amendment to S. F. No. 302.

POINT OF ORDER

Trimble raised a point of order pursuant to rule 3.09 that the Jennings amendment was not in order. Speaker pro tempore Krueger ruled the point of order well taken and the amendment out of order.

S. F. No. 302, A bill for an act relating to signs; requiring recycling centers and junk yards to accept certain hazard signs; amending Minnesota Statutes 1990, sections 115A.555; and 161.242, subdivision 2, and by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Olson, E.	Skoglund
Anderson, I.	Garcia	Koppendrayer	Olson, K.	Smith
Anderson, R.	Girard	Krinkie	Omann	Solberg
Anderson, R. H.	Goodno	Krueger	Orenstein	Sparby
Battaglia	Greenfield	Lasley	Orfield	Stanius
Bauerly	Gruenes	Leppik	Osthoff	Steensma
Beard	Gutknecht	Lieder	Ostrom	Sviggum
Bertram	Hanson	Limmer	Ozment	Swenson
Bettermann	Hartle	Long	Pauly	Thompson
Bishop	Hasskamp	Lourey	Pellow	Tompkins
Blatz	Haukoos	Lynch	Pelowski	Trimble
Bodahl	Hausman	Macklin	Peterson	Tunheim
Boo	Henry	Mariani	Pugh	Uphus
Carlson	Hufnagle	Marsh	Reding	Valento
Carruthers	Hugoson	McEachern	Rest	Vellenga
Clark	Jacobs	McGuire	Rice	Wagenius
Cooper	Janezich	McPherson	Rodosovich	Waltman
Dauner	Jaros	Milbert	Rukavina	Weaver
Davids	Jefferson	Morrison	Runbeck	Wejman
Dawkins	Jennings	Munger	Sarna	Welle
Dempsey	Johnson, A.	Murphy	Schafer	Wenzel
Dille	Johnson, R.	Nelson, K.	Scheid	Winter
Dorn	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Erhardt	Kahn	Newinski	Seaberg	
Farrell	Kalis	O'Connor	Segal	
Frederick	Kelso	Olsen, S.	Simoneau	

Those who voted in the negative were:

Begich	Brown	Heir	Welker
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The bill was passed and its title agreed to.

S. F. No. 809 was reported to the House.

Orenstein moved that S. F. No. 809 be re-referred to the Committee on Judiciary. The motion prevailed.

S. F. No. 910 which was temporarily laid over earlier today was again reported to the House.

Greenfield moved to amend S. F. No. 910, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 115.71, is amended by adding a subdivision to read:

Subd. 3a. “Community water supply system” means a public water supply system as defined in section 144.382, subdivision 4, and which serves at least 15 service connections or living units used by year-round residents, or regularly serves at least 25 year-round residents.

Sec. 2. Minnesota Statutes 1990, section 115.71, subdivision 9, is amended to read:

Subd. 9. “Water supply system operator” means a person who has direct responsibility for the operation of a community water supply system or such parts of the system as would affect the quality and safety of the water.

Sec. 3. Minnesota Statutes 1990, section 116C.852, is amended to read:

116C.852 [LOW-LEVEL RADIOACTIVE WASTE DISPOSAL.]

No All low-level radioactive waste that may be treated, recycled, stored, or disposed of in this state except at a facility that is specifically licensed for treatment, recycling, storage, or disposal of low-level radioactive waste shall conform to applicable federal and state requirements regardless of whether or not the waste has been reclassified as “below regulatory concern” by the United States Nuclear Regulatory Commission pursuant to a generic rule or standard adopted after January 1, 1990.

Sec. 4. [144.0525] [DATA FROM LABOR AND INDUSTRY AND JOBS AND TRAINING; EPIDEMIOLOGIC STUDIES.]

All data collected by the commissioner of health under sections 176.234 and 268.12 shall be used only for the purposes of epidemiologic investigations and surveillance of occupational health and safety.

Sec. 5. [144.1211] [ENFORCEMENT.]

Subdivision 1. [CEASE AND DESIST ORDER.] (a) The commissioner of health may issue an order requiring a person to cease activities related to the use of X-ray equipment, accelerators, and any device that emits ionizing radiation if the commissioner of health determines:

(1) that any individual is in danger of harmful and unnecessary exposure to ionizing radiation resulting from:

(i) X-ray equipment not operated, or X-ray procedures not performed according to standards prescribed by the commissioner of health in rule to minimize unnecessary exposure;

(ii) protective structural shielding of an X-ray facility not meeting the standards prescribed by the commissioner of health in rule to minimize unnecessary exposure; and

(iii) X-ray equipment prohibited for diagnostic or therapeutic X-ray use by the commissioner of health in rule; or

(2) that any individual is in danger from X-ray equipment with observed mechanical or electrical defects.

(b) The order is effective immediately upon issuance. Following issuance of the cease and desist order, the commissioner shall provide opportunity for a hearing under the contested case provisions of chapter 14.

(c) The commissioner may assess an administrative penalty for each violation specified in the cease and desist order.

Subd. 2. [CORRECTION ORDER.] (a) The commissioner may issue correction orders for persons to correct violations of this section or other statutes and rules related to ionizing radiation, or for violation of a cease and desist order. The correction order shall state the deficiencies that constitute the violation; the specific statute, rule, or provision of a cease and desist order violated; and the time by which the violation must be corrected.

(b) If the person believes that the information contained in the commissioner's correction order is in error, the person may ask the commissioner to reconsider the parts of the order that are alleged to be in error. The request must be in writing, must be delivered to the commissioner by certified mail within seven calendar days after receipt of the order, and must:

(1) specify which parts of the order for corrective action are alleged to be in error;

(2) explain why they are in error; and

(3) provide documentation to support the allegation of error.

The commissioner shall respond to requests made under this paragraph within 15 calendar days after receiving request. A request for reconsideration does not stay the correction order; however, after reviewing the request for reconsideration, the commissioner may provide additional time to comply with the order if

necessary. The commissioner's disposition of a request for reconsideration is final.

Subd. 3. [REINSPECTIONS.] If upon reinspection it is found that any deficiency specified in the correction order or cease and desist order has not been corrected, a notice of noncompliance with a correction order shall be issued stating each deficiency not corrected and specifying any administrative penalty issued for each deficiency.

Subd. 4. [ADMINISTRATIVE PENALTIES.] (a) In the notice of noncompliance issued under subdivision 3, the commissioner of health may assess an administrative penalty under this section of not more than \$10,000 for each deficiency found not corrected at the time of reinspection. In determining the amount of the penalty, the commissioner shall consider:

(1) the seriousness of the violation and the hazard or potential hazard created to the public health or safety;

(2) the amount necessary to deter future violations;

(3) the history of previous violations; and

(4) efforts to correct the violation.

For each day that the deficiency is not corrected after receipt of the notice of noncompliance, the penalty may be increased, but not more than \$500 per day.

(b) A person subject to an administrative penalty may request a contested case hearing pursuant to chapter 14 within 20 days after mailing of the notice of noncompliance. If the administrative penalty is not contested within 20 days after mailing of the notice of noncompliance, the notice of noncompliance and the administrative penalty become final and the person may not contest the notice of noncompliance or the administrative penalty. Any administrative penalty not paid or contested within 60 days after mailing of the notice of noncompliance shall increase by not more than 25 percent of the original amount assessed and shall bear interest on any unpaid balance at the rate established in section 549.09.

(c) The commissioner may also establish by rule a schedule of penalties not to exceed \$10,000.

Subd. 5. [INJUNCTIVE RELIEF.] In the event of noncompliance with a cease and desist order issued under subdivision 1, the commissioner of health may institute a proceeding to obtain injunctive relief or other appropriate relief in Ramsey county district court

or, at the commissioner of health's discretion, in the district court in which the violation of the cease and desist order occurred.

Subd. 6. [MISDEMEANOR.] A person who violates the statutes and rules related to ionizing radiation shall be guilty of a misdemeanor for each violation.

Sec. 6. Minnesota Statutes 1990, 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 in rule; and

(7) other information required by the commissioner in rule.

Sec. 7. Minnesota Statutes 1990, section 145.43, subdivision 1a, is amended to read:

Subd. 1a. [30-DAY GUARANTEE AND BUYER RIGHT TO CANCEL.] No person shall sell a hearing aid in this state unless:

(a) The seller provides the buyer with a 30-day written money-back guarantee. The guarantee must permit the buyer to cancel the purchase for any reason within 30 days after receiving the hearing aid by giving or mailing written notice of cancellation to the seller. If the hearing aid must be repaired, remade, or adjusted during the 30-day money-back guarantee period, the running of the 30-day period is suspended one day for each 24-hour period that the hearing

aid is not in the buyer's possession. A repaired, remade, or adjusted hearing aid must be claimed by the buyer within three working days after notification of availability, after which time the running of the 30-day period resumes. The guarantee must entitle the buyer, upon cancellation, to receive a full refund of payment within 30 days of return of the hearing aid to the seller. The seller may retain as a cancellation fee ten percent of the buyer's total payment for purchase price of the hearing aid.

(b) The seller shall provide the buyer with a contract written in plain English, that contains uniform language and provisions that meet the requirements and are certified by the attorney general under the Plain Language Contract Act, sections 325G.29 to 325G.36. The contract must include, but is not limited to, the following: in immediate proximity to the space reserved for the signature of the buyer, or on the first page if there is no space reserved for the signature of the buyer, a clear and conspicuous disclosure of the following specific statement in all capital letters of no less than 12-point boldface type: MINNESOTA STATE LAW GIVES THE BUYER THE RIGHT TO CANCEL THIS PURCHASE FOR ANY REASON AT ANY TIME PRIOR TO MIDNIGHT OF THE 30TH CALENDAR DAY AFTER RECEIPT OF THE HEARING AID(S). THIS CANCELLATION MUST BE IN WRITING AND MUST BE GIVEN OR MAILED TO THE SELLER. IF THE BUYER DECIDES TO RETURN THE HEARING AID(S) WITHIN THIS 30-DAY PERIOD, THE BUYER WILL RECEIVE A REFUND OF \$..... (State the dollar amount of refund.)

Sec. 8. [147.35] [PHYSICIAN ASSISTANTS; LIMITATION ON LIABILITY.]

A physician assistant who is registered with the board of medical examiners is exempt from prosecution under laws regulating the practice of any occupation licensed by the state or prohibiting the performance of any acts as long as the physician assistant acts within the scope of the registration system, the supervising physician agreement, and other requirements of Minnesota Rules, parts 5600.2600 to 5600.2665.

Sec. 9. Minnesota Statutes 1990, section 153A.15, is amended by adding a subdivision to read:

Subd. 3a. [DISCOVERY.] In all matters relating to the lawful regulation activities under this chapter, the commissioner may issue subpoenas to require the attendance and testimony of witnesses and production of books, records, correspondence, and other information relevant to any matter involved in the investigation. The commissioner or the commissioner's designee may administer oaths to witnesses or take their affirmation. The subpoenas may be served upon any person named therein anywhere in the state by any person authorized to serve subpoenas or other processes in civil

actions of the district courts. If a person to whom a subpoena is issued does not comply with the subpoena, the commissioner may apply to the district court in any district and the court shall order the person to comply with the subpoena. Failure to obey the order of the court may be punished by the court as contempt of court. All information pertaining to individual medical records obtained under this section shall be considered health data under section 13.38.

Sec. 10. Minnesota Statutes 1990, section 153A.15, subdivision 4, is amended to read:

Subd. 4. [~~PENALTY PENALTIES.~~] A person violating sections 153A.13 to 153A.16 is guilty of a misdemeanor. The commissioner may impose an automatic civil penalty equal to one-fourth the renewal fee on each hearing instrument seller who fails to renew the permit required in section 153A.14 by the renewal deadline established by the commissioner in rule.

Sec. 11. Minnesota Statutes 1990, section 153A.17, is amended to read:

153A.17 [EXPENSES.]

The expenses for administering the permit requirements including the complaint handling system for hearing aid sellers in sections 153A.14 and 153A.15 and the consumer information center under section 153A.18 must be paid from initial permit fees collected under the authority granted in section 214.06, subdivision 1 and renewal fees. The total fees collected must as closely as possible equal anticipated expenditures during the fiscal biennium as provided for in section 16A.128. The commissioner shall by rule, with the approval of the commissioner of finance, adjust any fee the commissioner is empowered to assess as provided for in section 16A.128. The fee established must include a surcharge amount necessary to recover, over a five-year period, the commissioner's direct expenditures for adoption of the rules.

Sec. 12. [176.234] [RELEASE OF DATA FOR EPIDEMIOLOGIC STUDY.]

The commissioner of the department of labor and industry shall, upon request, provide the commissioner of health data classified as private data under section 13.02, subdivision 12, which are contained in the initial report of injury under section 176.231, and other workers' compensation records related to any individual's injury or illness. Data to be provided include, but are not limited to, all personal identifiers such as name, address, age, sex, and social security number for the injured person, employer identification information, insurance information, compensation payments, and physician and rehabilitation reports which the commissioner of

labor and industry determines may pertain to specific epidemiologic investigations being conducted by the department of health.

Sec. 13. Minnesota Statutes 1990, section 268.12, subdivision 12, is amended to read:

Subd. 12. [INFORMATION.] Except as hereinafter otherwise provided, data gathered from any employing unit or individual pursuant to the administration of sections 268.03 to 268.231, and from any determination as to the benefit rights of any individual are private data on individuals or nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12, and may not be disclosed except pursuant to this subdivision or a court order. These data may be disseminated to and used by the following agencies without the consent of the subject of the data:

(a) state and federal agencies specifically authorized access to the data by state or federal law;

(b) any agency of this or any other state; or any federal agency charged with the administration of an employment security law or the maintenance of a system of public employment offices;

(c) local human rights groups within the state which have enforcement powers;

(d) the department of revenue shall have access to department of jobs and training private data on individuals and nonpublic data not on individuals only to the extent necessary for enforcement of Minnesota tax laws;

(e) public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;

(f) the department of labor and industry on an interchangeable basis with the department of jobs and training subject to the following limitations and notwithstanding any law to the contrary:

(1) the department of jobs and training shall have access to private data on individuals and nonpublic data not on individuals for uses consistent with the administration of its duties under sections 268.03 to 268.231; and

(2) the department of labor and industry shall have access to private data on individuals and nonpublic data not on individuals for uses consistent with the administration of its duties under state law;

(g) the department of trade and economic development may have

access to private data on individual employing units and nonpublic data not on individual employing units for its internal use only; when received by the department of trade and economic development, the data remain private data on individuals or nonpublic data;

(h) local and state welfare agencies for monitoring the eligibility of the data subject for assistance programs, or for any employment or training program administered by those agencies, whether alone, in combination with another welfare agency, or in conjunction with the department of jobs and training; ~~and~~

(i) local, state, and federal law enforcement agencies for the sole purpose of ascertaining the last known address and employment location of the data subject, provided the data subject is the subject of a criminal investigation; and

(j) the department of health may have access to private data on individuals and nonpublic data not on individuals solely for the purposes of epidemiologic investigations.

Data on individuals and employing units which are collected, maintained, or used by the department in an investigation pursuant to section 268.18, subdivision 3, are confidential as to data on individuals and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3 and 13, and shall not be disclosed except pursuant to statute or court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

Tape recordings and transcripts of recordings of proceedings before a referee of the department and exhibits offered by parties other than the department and received into evidence at those proceedings are private data on individuals and nonpublic data not on individuals and shall be disclosed only pursuant to the administration of section 268.10, subdivisions 3 to 8, or pursuant to a court order.

Aggregate data about employers compiled from individual job orders placed with the department of jobs and training are private data on individuals and nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12, if the commissioner determines that divulging the data would result in disclosure of the identity of the employer. The general aptitude test battery and the nonverbal aptitude test battery as administered by the department are also classified as private data on individuals or nonpublic data.

Data on individuals collected, maintained, or created because an individual applies for benefits or services provided by the energy assistance and weatherization programs administered by the department of jobs and training is private data on individuals and

shall not be disseminated except pursuant to section 13.05, subdivisions 3 and 4.

Data gathered by the department pursuant to the administration of sections 268.03 to 268.231 shall not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

Sec. 14. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes and its supplement, the revisor of statutes shall renumber Minnesota Statutes, sections 145.43 and 145.45, as a new section in Minnesota Statutes, coded as Minnesota Statutes, chapter 153A. The revisor shall also correct all cross-references to these sections in Minnesota statutes and rules.

Sec. 15. [REPEALER.]

Minnesota Statutes 1990, sections 115.71, subdivision 7; 145.34; 145.35; and 153A.16, are repealed.

Sec. 16. [EFFECTIVE DATE.]

Section 10, imposing an automatic civil penalty for failure to renew permits, is effective the day following final enactment. The repeal of Minnesota Statutes 1990, section 153A.16, is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to health; providing clarification of various laws relating to public health issues; providing penalties; amending Minnesota Statutes 1990, sections 115.71, subdivision 9, and by adding a subdivision; 116C.852; 144.698, subdivision 1; 145.43, subdivision 1a; 153A.15, subdivision 4, and by adding a subdivision; 153A.17; and 268.12, subdivision 12; proposing coding for new law in Minnesota Statutes, chapters 144; 147; and 176; repealing Minnesota Statutes 1990, sections 115.71, subdivision 7; 145.34; 145.35; and 153A.16."

The motion prevailed and the amendment was adopted.

Greenfield and Hasskamp moved to amend S. F. No. 910, as amended, as follows:

Page 1, after line 13, insert:

"Section 1. Minnesota Statutes 1990, section 65B.44, subdivision 4, is amended to read:

Subd. 4. [FUNERAL AND BURIAL EXPENSES.] Funeral and burial benefits shall be reasonable expenses not in excess of \$2,000, including expenses for cremation or delivery under the uniform anatomical gift act (1987), sections 525.921 to ~~525.93~~ 27.”

Page 8, after line 8, insert:

“Sec. 13. Minnesota Statutes 1990, section 171.06, subdivision 3, is amended to read:

Subd. 3. [CONTENTS OF APPLICATION; OTHER INFORMATION.] An application must state the full name, date of birth, sex and residence address of the applicant, a description of the applicant in such manner as the commissioner may require, and must state whether or not the applicant has theretofore been licensed as a driver; and, if so, when and by what state or country and whether any such license has ever been suspended or revoked, or whether an application has ever been refused; and, if so, the date of and reason for such suspension, revocation, or refusal, together with such facts pertaining to the applicant and the applicant's ability to operate a motor vehicle with safety as may be required by the commissioner. An application for a Class CC, Class B, or Class A driver's license also must state the applicant's social security number. The application form must contain a notification to the applicant of the availability of the donor document provided pursuant to section 171.07, subdivision 5, and must contain spaces where the applicant ~~must~~ may indicate a desire to ~~receive or not to receive the donor document~~ make an anatomical gift. If the applicant does not indicate a desire to make an anatomical gift when the application is made, the applicant must be offered a donor document in accordance with section 171.07, subdivision 5. The application form must contain statements sufficient to comply with the requirements of the uniform anatomical gift act (1987), sections 595.921 to 27, so that execution of the application or donor document will make the anatomical gift as provided in section 171.07, subdivision 5, for those indicating a desire to make an anatomical gift. The application form must contain a notification to the applicant of the availability of a living will designation on the license under section 171.07, subdivision 7. The application must be in the form prepared by the commissioner.

The application form must be accompanied by a pamphlet containing relevant facts relating to:

- (1) the effect of alcohol on driving ability;
- (2) the effect of mixing alcohol with drugs;
- (3) the laws of Minnesota relating to operation of a motor vehicle while under the influence of alcohol or a controlled substance; and

(4) the levels of alcohol-related fatalities and accidents in Minnesota and of arrests for alcohol-related violations.

The application form must also be accompanied by a pamphlet describing Minnesota laws regarding anatomical gifts and the need for and benefits of anatomical gifts.

Sec. 14. Minnesota Statutes 1990, section 171.07, subdivision 5, is amended to read:

Subd. 5. [ANATOMICAL GIFT; DONOR DOCUMENT.] The department ~~may provide~~ shall offer a donor document to each person making application for a driver's license or a Minnesota identification card ~~whereby any such person may execute an anatomical gift, pursuant to the provisions of the uniform anatomical gift act, sections 525.921 to 525.93 who indicates a desire not to make a decision about making an anatomical gift at the time the application is made.~~ The commissioner of public safety shall prescribe the form of the donor document and the application for a driver's license or a Minnesota identification card. The forms must be designed so that execution by the applicant of the donor document or application will make an anatomical gift under the uniform anatomical gift act (1987), sections 525.921 to 27. If the donor is 18 years of age or older, the donor document or application must be signed by the donor in the presence of two witnesses who must sign the donor document in the donor's presence. If the donor cannot sign, the donor document or application may be signed for the donor at the donor's direction, in the donor's presence, and in the presence of two witnesses who must sign the donor document or application in the donor's presence. If the donor is a minor, the donor document or application must be signed by the minor donor, and both one of the minor donor's parents, a legal guardian, or ~~the~~ a parent or parents having legal custody. If the minor cannot sign, the donor document or application may not be signed for the minor. The department shall identify donors of anatomical gifts by the designation "donor" on the front side of the donor's driver's license or Minnesota identification card. The issuance of a driver's license or Minnesota identification card identifying the person as a "donor" completes the donation process and the license or identification card constitutes the final donor record. The department is not required to keep the physical record of the donor card or application after issuing the driver's license or identification card for the donation to be valid. The department shall maintain a computer record of donors. Revocation, suspension, expiration, or cancellation of the license does not invalidate the anatomical gift. The designation "donor" shall constitute constitutes sufficient legal authority for the removal of all body organs or parts upon death of the donor for the purpose of transplantation and. The donor designation shall may be removed only upon written notice to the department. Delivery of the license or Minnesota identification card during the donor's lifetime is not necessary to make the gift valid."

Page 11, after line 9, insert:

“Sec. 17. Minnesota Statutes 1990, section 390.36, is amended to read:

390.36 [CORONER REMOVAL OF PITUITARY GLAND DURING AUTOPSY.]

A county coroner who performs an autopsy under section 390.11, 390.32, or any other general or local law relating to county coroners or medical examiners, may remove the pituitary gland from the body and give it to the national pituitary agency, or any other agency or organization, for research if the following conditions have been met:

(a) the removal would not alter a gift made under sections 525.921 to ~~525.93~~ 27;

(b) the coroner or medical examiner has no knowledge of any objection to the removal by the decedent or other person having the right to control the disposition of the body; and

(c) the coroner or medical examiner has followed generally accepted ethical guidelines and the removal would not violate the tenets of the deceased's religion.

Sec. 18. Minnesota Statutes 1990, section 525.921, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] For the purposes of sections 525.921 to ~~525.93~~ 27 the terms defined in this section have the meanings given them.

Sec. 19. Minnesota Statutes 1990, section 525.921, is amended by adding a subdivision to read:

Subd. 1a. [ANATOMICAL GIFT.] “Anatomical gift” means a donation of all or part of a human body to take effect upon or after death.

Sec. 20. Minnesota Statutes 1990, section 525.921, subdivision 3, is amended to read:

Subd. 3. [DECEDENT.] “Decedent” means a deceased individual and includes a stillborn infant or an embryo or fetus that has died of natural causes in utero.

Sec. 21. Minnesota Statutes 1990, section 525.921, is amended by adding a subdivision to read:

Subd. 3a. [DOCUMENT OF GIFT.] “Document of gift” means a card, a statement attached to or imprinted on a motor vehicle operator’s or chauffeur’s license, a will, or other writing used to make an anatomical gift.

Sec. 22. Minnesota Statutes 1990, section 525.921, subdivision 4, is amended to read:

Subd. 4. [DONOR.] “Donor” means an individual who makes a an anatomical gift of all or part of the individual’s body.

Sec. 23. Minnesota Statutes 1990, section 525.921, is amended by adding a subdivision to read:

Subd. 4a. [ENUCLEATOR.] “Enucleator” means an individual who has completed a course in eye enucleation conducted and certified by the department of ophthalmology of any accredited college of medicine, and holds a valid certificate of competence for completing the course.

Sec. 24. Minnesota Statutes 1990, section 525.921, subdivision 5, is amended to read:

Subd. 5. [HOSPITAL.] “Hospital” means a ~~hospital~~ facility licensed, accredited, or approved as a hospital under the laws of any state; ~~includes or a facility operated as a hospital operated by the United States government, a state, or a subdivision thereof, although not required to be licensed under state laws of a state.~~

Sec. 25. Minnesota Statutes 1990, section 525.921, subdivision 8, is amended to read:

Subd. 8. [PHYSICIAN OR SURGEON.] “Physician” or “surgeon” means a ~~physician or surgeon~~ an individual licensed or otherwise authorized to practice medicine and surgery or osteopathy and surgery under the laws of any state.

Sec. 26. Minnesota Statutes 1990, section 525.921, is amended by adding a subdivision to read:

Subd. 8a. [PROCUREMENT ORGANIZATION.] “Procurement organization” means a person licensed, accredited, or approved under the laws of any state for procurement, distribution, or storage of human bodies or parts.

Sec. 27. Minnesota Statutes 1990, section 525.921, is amended by adding a subdivision to read:

Subd. 10. [TECHNICIAN.] “Technician” means an individual who is appropriately trained to remove or process a part.

Sec. 28. [525.9211] [MAKING, AMENDING, REVOKING, AND REFUSING TO MAKE ANATOMICAL GIFTS BY INDIVIDUAL.]

(a) An individual who is at least 18 years of age, or a minor with the written consent of a parent or legal guardian, may (i) make an anatomical gift for any of the purposes stated in section 19, paragraph (a), (ii) limit an anatomical gift to one or more of those purposes, or (iii) refuse to make an anatomical gift.

(b) An anatomical gift may be made by a will or by a document of gift signed by the donor. If the donor cannot sign, the document of gift must be signed by another individual and by two witnesses, all of whom have signed at the direction and in the presence of the donor and of each other, and state that it has been so signed.

(c) If a document of gift is attached to or imprinted on a donor's motor vehicle operator's or chauffeur's license, the document of gift must comply with paragraph (b). Revocation, suspension, expiration, or cancellation of the license does not invalidate the anatomical gift.

(d) A document of gift may designate a particular physician or surgeon to carry out the appropriate procedures. In the absence of a designation or if the designee is not available, the donee or other person authorized to accept the anatomical gift may employ or authorize any physician, surgeon, technician, or enucleator to carry out the appropriate procedures.

(e) An anatomical gift by will takes effect upon death of the testator, whether or not the will is probated. If, after death, the will is declared invalid for testamentary purposes, the validity of the anatomical gift is unaffected.

(f) A donor may amend or revoke an anatomical gift, not made by will, only by:

(1) a signed statement;

(2) an oral statement made in the presence of two individuals;

(3) any form of communication during a terminal illness or injury addressed to a health care professional or member of the clergy; or

(4) the delivery of a signed statement to a specified donee to whom a document of gift had been delivered.

(g) The donor of an anatomical gift made by will may amend or revoke the gift in the manner provided for amendment or revocation of wills, or as provided in paragraph (f).

(h) An anatomical gift that is not revoked by the donor before death is irrevocable and does not require the consent or concurrence of any person after the donor's death.

(i) An individual may refuse to make an anatomical gift of the individual's body or part by (i) a writing signed in the same manner as a document of gift, or (ii) any other writing used to identify the individual as refusing to make an anatomical gift. During a terminal illness or injury, the refusal may be an oral statement or other form of communication.

(j) In the absence of contrary indications by the donor, an anatomical gift of a part is neither a refusal to give other parts nor a limitation on an anatomical gift under section 16 or on a removal or release of other parts under section 17.

(k) In the absence of contrary indications by the donor, a revocation or amendment of an anatomical gift is not a refusal to make another anatomical gift. If the donor intends a revocation to be a refusal to make an anatomical gift, the donor shall make the refusal pursuant to paragraph (i).

Sec. 29. [525.9212] [MAKING, REVOKING, AND OBJECTING TO ANATOMICAL GIFTS, BY OTHERS.]

(a) Any member of the following classes of persons, in the order of priority listed, may make an anatomical gift of all or a part of the decedent's body for an authorized purpose, unless the decedent has made a refusal to make that anatomical gift that is unrevoked at the time of death:

- (1) the spouse of the decedent;
- (2) an adult son or daughter of the decedent;
- (3) either parent of the decedent;
- (4) an adult brother or sister of the decedent;
- (5) a grandparent of the decedent; and
- (6) a guardian of the person of the decedent at the time of death.

(b) An anatomical gift may not be made by a person listed in paragraph (a) if:

- (1) a person in a prior class is available at the time of death to make an anatomical gift;

(2) the person proposing to make an anatomical gift knows of a refusal or contrary indications by the decedent; or

(3) the person proposing to make an anatomical gift knows of an objection to making an anatomical gift by a member of the person's class or a prior class.

(c) An anatomical gift by a person authorized under paragraph (a) must be made by (i) a document of gift signed by the person, or (ii) the person's telegraphic, recorded telephonic, or other recorded message, or other form of communication from the person that is contemporaneously reduced to writing and signed by the recipient.

(d) An anatomical gift by a person authorized under paragraph (a) may be revoked by any member of the same or a prior class if, before procedures have begun for the removal of a part from the body of the decedent, the physician, surgeon, technician, or enucleator removing the part knows of the revocation.

(e) A failure to make a decision as to an anatomical gift under paragraph (a) is not an objection to the making of an anatomical gift.

Sec. 30. [525.9213] [AUTHORIZATION BY CORONER OR MEDICAL EXAMINER OR LOCAL PUBLIC HEALTH OFFICIAL.]

(a) The coroner or medical examiner may release and permit the removal of a part from a body within that official's custody, for transplantation or therapy, if:

(1) the official has received a request for the part from a hospital, physician, surgeon, or procurement organization;

(2) the official has made a reasonable effort, taking into account the useful life of the part, to locate and examine the decedent's medical records and inform persons listed in section 16, paragraph (a), of their option to make, or object to making, an anatomical gift;

(3) the official does not know of a refusal or contrary indication by the decedent or objection by a person having priority to act as listed in section 16, paragraph (a);

(4) the removal will be by a physician, surgeon, or technician; but in the case of eyes, by one of them or by an enucleator;

(5) the removal will not interfere with any autopsy or investigation; and

(6) the removal will be in accordance with accepted medical standards.

(b) If the body is not within the custody of the coroner or medical examiner, the local public health officer may release and permit the removal of any part from a body in the local public health officer's custody for transplantation or therapy if the requirements of paragraph (a) are met.

(c) An official releasing and permitting the removal of a part shall maintain a permanent record of the name of the decedent, the person making the request, the date and purpose of the request, the part requested, and the person to whom it was released.

Sec. 31. [525.9214] [ROUTINE INQUIRY AND REQUIRED REQUEST; SEARCH AND NOTIFICATION.]

(a) If, at or near the time of death of a patient, there is no documentation in the medical record that the patient has made or refused to make an anatomical gift, the hospital administrator or a representative designated by the administrator shall discuss with the patient or a relative of the patient the option to make or refuse to make an anatomical gift and may request the making of an anatomical gift pursuant to section 15 or 16. The request must be made with reasonable discretion and sensitivity to the circumstances of the family. A request is not required if the gift is not suitable, based upon accepted medical standards, for a purpose specified in section 19. An entry must be made in the medical record of the patient, stating the name of the individual making the request, and the name, response, and relationship to the patient of the person to whom the request was made.

(b) The following persons shall make a reasonable search for a document of gift or other information identifying the bearer as a donor or as an individual who has refused to make an anatomical gift:

(1) a law enforcement officer, firefighter, paramedic, or other emergency rescuer finding an individual who the searcher believes is dead or near death;

(2) a hospital or emergency care facility, upon the admission or presentation of an individual at or near the time of death, if there is not immediately available any other source of that information; and

(3) a medical examiner or coroner upon receipt of a body.

(c) If a document of gift or evidence of refusal to make an anatomical gift is located by the search required by paragraph (b), clause (1), and the individual or body to whom it relates is taken to a hospital, the hospital must be notified of the contents and the document or other evidence must be sent to the hospital.

(d) If, at or near the time of death of a patient, a hospital knows that an anatomical gift has been made pursuant to section 16, paragraph (a), or a release and removal of a part has been permitted pursuant to section 17, or that a patient or an individual identified as in transit to the hospital is a donor, the hospital shall notify the donee if one is named and known to the hospital; if not, it shall notify an appropriate procurement organization. The hospital shall cooperate in the implementation of the anatomical gift or release and removal of a part.

(e) A person who fails to discharge the duties imposed by this section is not subject to criminal or civil liability.

Sec. 32. [525.9215] [PERSONS WHO MAY BECOME DONEES; PURPOSES FOR WHICH ANATOMICAL GIFTS MAY BE MADE.]

(a) The following persons may become donees of anatomical gifts for the purposes stated:

(1) a hospital, nonprofit organization in medical education and research, physician, surgeon, or procurement organization, for transplantation, therapy, medical or dental education, research, or advancement of medical or dental science;

(2) an accredited medical or dental school, college, or university for education, research, advancement of medical or dental science;

(3) an approved chiropractic college for education; or

(4) a designated individual for transplantation or therapy needed by that individual.

(b) An anatomical gift may be made to a designated donee or without designating a donee. If a donee is not designated or if the donee is not available or rejects the anatomical gift, the anatomical gift may be accepted by any hospital or procurement organization.

(c) If the donee knows of the decedent's refusal or contrary indications to make an anatomical gift or that an anatomical gift by a member of a class having priority to act is opposed by a member of the same class or a prior class under section 16, paragraph (a), the donee may not accept the anatomical gift.

Sec. 33. [525.9216] [DELIVERY OF DOCUMENT OF GIFT.]

(a) Delivery of a document of gift during the donor's lifetime is not required for the validity of an anatomical gift.

(b) If an anatomical gift is made to a designated donee, the document of gift, or a copy, may be delivered to the donee to expedite

the appropriate procedures after death. The document of gift, or a copy, may be deposited in any hospital, procurement organization, or registry office that accepts it for safekeeping or for facilitation of procedures after death. On request of an interested person, upon or after the donor's death, the person in possession shall allow the interested person to examine or copy the document of gift.

Sec. 34. [525.9217] [RIGHTS AND DUTIES AT DEATH.]

(a) Rights of a donee created by an anatomical gift are superior to rights of others except with respect to autopsies under section 24, paragraph (b). A donee may accept or reject an anatomical gift. If a donee accepts an anatomical gift of an entire body, the donee, subject to the terms of the gift, may allow embalming and use of the body in funeral services. If the gift is of a part of a body, the donee, upon the death of the donor and before embalming, shall cause the part to be removed without unnecessary mutilation. After removal of the part, custody of the remainder of the body vests in the person under obligation to dispose of the body.

(b) The time of death must be determined by a physician or surgeon who attends the donor at death or, if none, the physician or surgeon who certifies the death. Neither the physician or surgeon who attends the donor at death nor the physician or surgeon who determines the time of death may participate in the procedures for removing or transplanting a part unless the document of gift designates a particular physician or surgeon pursuant to section 15, paragraph (d).

(c) If there has been an anatomical gift, a technician may remove any donated parts and an enucleator may remove any donated eyes or parts of eyes, after determination of death by a physician or surgeon.

Sec. 35. [525.9218] [COORDINATION OF PROCUREMENT AND USE.]

The procurement organizations, after consultation with hospitals, shall establish agreements or affiliations for coordination of procurement and use of human bodies and parts.

Sec. 36. [525.9219] [SALE OR PURCHASE OF PARTS PROHIBITED.]

(a) A person may not knowingly, for valuable consideration, purchase or sell a part for transplantation or therapy, if removal of the part is intended to occur after the death of the decedent.

(b) Valuable consideration does not include reasonable payment

for the removal, processing, disposal, preservation, quality control, storage, transportation, or implantation of a part.

(c) A person who violates this section is guilty of a felony and upon conviction is subject to a fine not exceeding \$50,000 or imprisonment not exceeding five years, or both.

Sec. 37. [525.9221] [EXAMINATION, AUTOPSY, LIABILITY.]

(a) An anatomical gift authorizes any reasonable examination necessary to assure medical acceptability of the gift for the purposes intended.

(b) The provisions of sections 525.921 to 27 are subject to the laws of this state governing autopsies.

(c) A hospital, physician, surgeon, coroner, medical examiner, local public health officer, enucleator, technician, or other person, who acts in accordance with sections 525.921 to 27 or with the applicable anatomical gift law of another state or a foreign country or attempts in good faith to do so is not liable for that act in a civil action or criminal proceeding.

(d) An individual who makes an anatomical gift pursuant to section 7 or 8 and the individual's estate are not liable for any injury or damage that may result from the making or the use of the anatomical gift.

Sec. 38. [525.9222] [TRANSITIONAL PROVISIONS.]

Sections 525.921 to 27 apply to a document of gift, revocation, or refusal to make an anatomical gift signed by the donor or a person authorized to make or object to making an anatomical gift before, on, or after the effective date of sections 525.921 to 27.

Sec. 39. [525.9223] [UNIFORMITY OF APPLICATION AND CONSTRUCTION.]

Sections 525.921 to 27 shall be applied and construed to effectuate their general purpose to make uniform the law with respect to the subject of sections 525.921 to 27 among states enacting it.

Sec. 40. [525.9224] [SHORT TITLE.]

Sections 525.921 to 27 may be cited as the "uniform anatomical gift act (1987)."

Page 11, line 19, delete "and" and before the comma, insert " ; 525.921, subdivision 2; 525.922; 525.923; 525.924; 525.925; 525.926; 525.927; 525.928; 525.929; 525.93; and 525.94"

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 910, A bill for an act relating to health; providing clarification of various laws relating to public health issues; providing penalties; amending Minnesota Statutes 1990, sections 115.71, subdivision 9, and by adding a subdivision; 144.698, subdivision 1; 145.43, subdivision 1a; 153A.15, subdivision 4, and by adding a subdivision; 153A.17; and 268.12, subdivision 12; proposing coding for new law in Minnesota Statutes, chapters 144; 147; and 176; repealing Minnesota Statutes 1990, sections 115.71, subdivision 7; 145.34; 145.35; and 153A.16.

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	Frederick	Kelso	Olson, E.	Smith
Anderson, I.	Frerichs	Kinkel	Olson, K.	Solberg
Anderson, R.	Garcia	Koppendrayner	Omann	Sparby
Anderson, R. H.	Girard	Krinkie	Orenstein	Stanisus
Battaglia	Goodno	Krueger	Orfield	Steenma
Bauerly	Greenfield	Lasley	Osthoff	Sviggum
Beard	Gruenes	Leppik	Ostrom	Swenson
Begich	Gutknecht	Lieder	Ozment	Thompson
Bertram	Hanson	Limmer	Pauly	Tompkins
Bettermann	Hartle	Long	Pellow	Trimble
Bishop	Hasskamp	Lourey	Pelowski	Tunheim
Blatz	Haukoos	Lynch	Peterson	Uphus
Bodahl	Hausman	Macklin	Pugh	Valento
Boo	Heir	Mariani	Reding	Vellenga
Brown	Henry	Marsh	Rest	Wagenius
Carlson	Hufnagle	McEachern	Rice	Waltman
Carruthers	Hugoson	McGuire	Rodosovich	Weaver
Clark	Jacobs	McPherson	Rukavina	Wejman
Cooper	Janezich	Milbert	Runbeck	Welker
Dauner	Jaros	Morrison	Sarna	Welle
Davids	Jefferson	Munger	Schafer	Wenzel
Dawkins	Jennings	Murphy	Scheid	Winter
Dempsey	Johnson, A.	Nelson, K.	Schreiber	Spk. Vanasek
Dille	Johnson, R.	Nelson, S.	Seaberg	
Dorn	Johnson, V.	Newinski	Segal	
Erhardt	Kahn	O'Connor	Simoneau	
Farrell	Kalis	Olsen, S.	Skoglund	

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

S. F. No. 1411 was reported to the House.

Thompson moved to amend S. F. No. 1411, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 47.58, is amended by adding a subdivision to read:

Subd. 8. [COUNSELING; REQUIREMENT; PENALTY.] A lender, mortgage banking company, or other mortgage lender not related to the mortgagor must keep a certificate on file documenting that the borrower, prior to entering into the reverse mortgage loan, received counseling as defined in this subdivision from an organization that meets the requirements of section 462A.28, subdivision 1, and is a housing counseling agency approved by the Department of Housing and Urban Development. The certificate must be signed by the mortgagor and the counselor and include the date of the counseling, the name, address, and telephone number of both the mortgagor and the organization providing counseling. A failure by the lender to comply with this act results in a \$1,000 civil penalty payable to the mortgagor. For the purposes of this subdivision, “counseling” means the following services are provided to the borrower:

(1) a review of the advantages and disadvantages of reverse mortgage programs;

(2) an explanation of how the reverse mortgage affects the borrower's estate and public benefits;

(3) an explanation of the lending process;

(4) a discussion of the borrower's supplemental income needs; and

(5) an opportunity to ask questions of the counselor.”

The motion prevailed and the amendment was adopted.

S. F. No. 1411, A bill for an act relating to housing; requiring counseling for reverse mortgage loans; providing penalties; amending Minnesota Statutes 1990, section 47.58, 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 3 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kelso	Olsen, S.	Skoglund
Anderson, I.	Garcia	Kinkel	Olson, E.	Smith
Anderson, R.	Girard	Koppendrayner	Olson, K.	Solberg
Anderson, R. H.	Goodno	Krinkie	Omann	Sparby
Battaglia	Greenfield	Krueger	Orenstein	Stanius
Bauerly	Gruenes	Lasley	Orfield	Steensma
Beard	Gutknecht	Leppik	Osthoff	Sviggum
Begich	Hanson	Lieder	Ostrom	Swenson
Bertram	Hartle	Limmer	Ozment	Thompson
Bettermann	Hasskamp	Long	Pauly	Tompkins
Bishop	Haukoos	Lourey	Pellow	Trimble
Bodahl	Hausman	Lynch	Pelowski	Tunheim
Boo	Heir	Macklin	Peterson	Uphus
Brown	Henry	Mariani	Pugh	Valento
Carlson	Hufnagle	Marsh	Reding	Vellenga
Carruthers	Hugoson	McEachern	Rest	Wagenius
Clark	Jacobs	McGuire	Rice	Waltman
Cooper	Janezich	McPherson	Rodosovich	Wejzman
Dauner	Jaros	Milbert	Rukavina	Welker
Davids	Jefferson	Morrison	Runbeck	Wenzel
Dawkins	Jennings	Munger	Sarna	Winter
Dempsey	Johnson, A.	Murphy	Schafer	Spk. Vanasek
Dorn	Johnson, R.	Nelson, K.	Scheid	
Erhardt	Johnson, V.	Nelson, S.	Seaberg	
Farrell	Kahn	Newinski	Segal	
Frederick	Kalis	O'Connor	Simoneau	

Those who voted in the negative were:

Blatz	Weaver	Welle
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The bill was passed, as amended, and its title agreed to.

S. F. No. 998 was reported to the House.

Kahn, Krueger, Abrams, Dille, Heir, Greenfield and Solberg moved to amend S. F. No. 998, as follows:

Page 4, after line 23, insert:

"Subd. 2. [REPORT.] The commissioner shall report to the legislature by February 15, 1992, on department plans to promote the metric system and department efforts to educate the public on the advantages of the metric system."

Page 4, line 24, delete "2" and insert "3"

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

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

S. F. No. 998, A bill for an act relating to weights and measures; adopting weights and measures standards recommended by the United States Department of Commerce, National Institute of Standards and Technology; defining the responsibilities, duties, and powers of the division of weights and measures; providing that the division have a director; amending Minnesota Statutes 1990, sections 239.01; 239.02; 239.05; 239.09; proposing coding for new law in Minnesota Statutes, chapter 239; repealing Minnesota Statutes 1990, sections 239.07; 239.08; and 239.37.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Farrell	Kalis	Olsen, S.	Simoneau
Anderson, I.	Frederick	Kelso	Olson, E.	Skoglund
Anderson, R.	Frerichs	Kinkel	Olson, K.	Smith
Anderson, R. H.	Garcia	Koppendrayer	Omann	Solberg
Battaglia	Girard	Krinkie	Orenstein	Sparby
Bauerly	Goodno	Krueger	Orfield	Stanius
Beard	Greenfield	Lasley	Osthoff	Steensma
Begich	Gruenes	Leppik	Ostrom	Sviggum
Bertram	Gutknecht	Lieder	Ozment	Swenson
Bettermann	Hanson	Limmer	Pauly	Thompson
Bishop	Hartle	Long	Pellow	Tompkins
Blatz	Hasskamp	Lourey	Pelowski	Trimble
Bodahl	Hausman	Lynch	Peterson	Tunheim
Boo	Heir	Mariani	Pugh	Uphus
Brown	Henry	Marsh	Reding	Valento
Carlson	Hufnagle	McEachern	Rest	Vellenga
Carruthers	Hugoson	McGuire	Rice	Wagenius
Clark	Jacobs	McPherson	Rodosovich	Waltman
Cooper	Janezich	Milbert	Rukavina	Weaver
Dauner	Jaros	Morrison	Rumbeck	Wejcmán
Davids	Jefferson	Munger	Sarna	Welker
Dawkins	Jennings	Murphy	Schafer	Welle
Dempsey	Johnson, A.	Nelson, K.	Scheid	Wenzel
Dille	Johnson, R.	Nelson, S.	Schreiber	Winter
Dorn	Johnson, V.	Newinski	Seaberg	Spk. Vanasek
Erhardt	Kahn	O'Connor	Segal	

The bill was passed and its title agreed to.

The Speaker resumed the Chair.

H. F. No. 997 was reported to the House.

Ozment moved to amend H. F. No. 997, as follows:

Page 1, after line 23, insert:

“Sec. 2. [469.0813] [ROSEMOUNT.]

Subdivision 1. [ESTABLISHMENT; POWERS.] The city of Rosemount may, by adoption of an enabling resolution in compliance with the procedural requirements of subdivision 3, establish a port authority commission that, subject to the provisions of subdivision 2, has the same powers as a port authority established under section 469.049 or other law, and a housing and redevelopment authority established under sections 469.001 to 469.047 or other law, and shall constitute an “agency” that may administer one or more municipal development districts under section 469.110. If the city establishes a port authority commission under this section, the city shall exercise all the powers relating to a port authority granted to any city by sections 469.048 to 469.068 or other law, and all powers relating to a housing and redevelopment authority granted to any city by sections 469.001 to 469.047 or other law.

Subd. 2. [LIMITATION OF POWERS:] (a) The enabling resolution may impose the following limitations upon the actions of the port authority:

(1) that the port authority shall not exercise any specified powers contained in sections 469.001 to 469.047 and 469.048 to 469.068 or that the port authority shall not exercise any powers without the prior approval of the city council;

(2) that, except when previously pledged by the port authority, the city council may, by resolution, require the port authority to transfer any portion of the reserves generated by activities of the port authority which the city council determines is not necessary for the successful operation of the port authority, to the city general fund, to be used for any general purpose of the city;

(3) that the sale of all bonds or obligations issued by the port authority be approved by the city council before issuance;

(4) that the port authority follow the budget process for city departments as provided by the city and as implemented by the city council and mayor;

(5) that all official actions of the port authority must be consistent with the adopted comprehensive plan of the city, and any official controls implementing the comprehensive plan;

(6) that the port authority submit to the city council for approval

by resolution any proposed project as defined in section 469.174, subdivision 8;

(7) that the port authority submit all planned activities for influencing the action of any other governmental agency, subdivision, or body to the city council for approval;

(8) that the port authority submit its administrative structure and management practices to the city council for approval; and

(9) any other limitation or control established by the city council by the enabling resolution.

(b) The enabling resolution may be modified at any time, subject to clause (e), and provided that any modification is made in accordance with the procedural requirements of subdivision 3.

(c) Without limiting the right of the port authority to petition the city council at any time, each year, within 60 days of the anniversary date of the initial adoption of the enabling resolution, the port authority shall submit to the city council a report stating whether and how the enabling resolution should be modified. Within 30 days of receipt of the recommendation, the city council shall review the enabling resolution, consider the recommendations of the port authority, and make any modifications it considers appropriate; provided that any modification shall be made in accordance with the procedural requirements of subdivision 3.

(d) A determination by the city council that the limitations imposed under this section have been complied with by the port authority shall be conclusive.

(e) Limitations imposed under this section must not be applied in a manner that impairs the security of any bonds issued or contracts executed prior to the imposition of the limitation. The city council shall not modify any limitations in effect at the time any bonds or obligations are issued or contracts executed to the detriment of the holder of the bonds or obligations or any contracting party.

Subd. 3. [PROCEDURAL REQUIREMENT.] (a) The creation of a port authority by the city of Rosemount must be by written resolution known as the enabling resolution. Prior to adoption of the enabling resolution, the city council shall conduct a public hearing. Notice of the time and place of hearing, a statement of the purpose of the hearing, and a summary of the resolution must be published in a newspaper of general circulation within the city once a week for two consecutive weeks. The first publication must appear not more than 30 days from the date of the public hearing.

(b) All modifications to the enabling resolution must be by written

resolution and must be adopted after notice is given and a public hearing conducted as required for the original adoption of the enabling resolution.

Subd. 4. [NAME.] Notwithstanding any law to the contrary, the city may choose the name of the commission.

Subd. 5. [REMOVAL OF COMMISSIONERS FOR CAUSE.] A commissioner of the port authority may be removed by the city council for inefficiency, neglect of duty, or misconduct in office. A commissioner shall be removed only after a hearing. A copy of the charges must be given to the commissioner at least ten days before the hearing. The commissioner must be given an opportunity to be heard in person or by counsel at the hearing. When written charges have been submitted against a commissioner, the city council may temporarily suspend the commissioner. If the city council finds that those charges have not been substantiated, the commissioner shall be immediately reinstated. If a commissioner is removed, a record of the proceedings, together with the charges and findings, shall be filed in the office of the city clerk."

Page 1, line 24, delete "2" and insert "3"

Page 1, line 25, delete "This act" and insert "Section 1"

Page 1, line 26, after the period insert "Section 2 is effective for the city of Rosemount the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Rosemount."

Amend the title as follows:

Page 1, line 6, after the semicolon insert "authorizing the city of Rosemount to establish a port authority;"

Page 1, line 8, after "subdivision" insert "; proposing coding for new law in Minnesota Statutes, chapter 469"

The motion prevailed and the amendment was adopted.

H. F. No. 997, A bill for an act relating to port authorities; providing for extraterritorial exercise of port authority powers to assist economic development projects; authorizing affected governmental units to contribute funds in support of port authority financing; authorizing the city of Rosemount to establish a port authority; amending Minnesota Statutes 1990, section 469.062, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 469.

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 77 yeas and 53 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Farrell	Kelso	Olson, K.	Solberg
Anderson, R.	Frederick	Kinkel	Orenstein	Sparby
Anderson, R. H.	Garcia	Krueger	Orfield	Swenson
Battaglia	Greenfield	Lasley	Osthoff	Thompson
Bauerly	Hanson	Lieder	Ozment	Trimble
Beard	Hasskamp	Long	Pelowski	Tunheim
Begich	Hausman	Lourey	Peterson	Uphus
Bertram	Heir	Mariani	Pugh	Vellenga
Bodahl	Jacobs	McEachern	Reding	Wejzman
Boo	Jaros	McGuire	Rest	Welle
Brown	Jefferson	Milbert	Rodosovich	Wenzel
Carlson	Jennings	Munger	Rukavina	Winter
Cooper	Johnson, A.	Murphy	Runbeck	Spk. Vanasek
Dauner	Johnson, R.	Nelson, K.	Sarna	
Dawkins	Kahn	O'Connor	Scheid	
Dorn	Kalis	Olson, E.	Segal	

Those who voted in the negative were:

Abrams	Girard	Krinkie	Omann	Stanius
Bettermann	Goodno	Leppik	Ostrom	Steenma
Bishop	Gruenes	Limmer	Pauly	Sviggum
Blatz	Gutknecht	Lynch	Pellow	Tompkins
Carruthers	Hartle	Macklin	Rice	Valento
Clark	Haukoos	Marsh	Schafer	Wagenius
Davids	Henry	McPherson	Schreiber	Waltman
Dempsey	Hufnagle	Morrison	Seaberg	Weaver
Dille	Hugoson	Nelson, S.	Simoneau	Welker
Erhardt	Johnson, V.	Newinski	Skoglund	
Frerichs	Koppendrayer	Olsen, S.	Smith	

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

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

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

S. F. No. 1571.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1571, A bill for an act relating to the legislature; changing the boundaries of legislative districts; amending Minnesota Statutes 1990, section 2.031, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 2; repealing Minnesota Statutes 1990, sections 2.019; and 2.042 to 2.702.

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

SPECIAL ORDERS

S. F. No. 1244 was reported to the House.

Scheid moved that S. F. No. 1244 be continued on Special Orders. The motion prevailed.

GENERAL ORDERS

Long moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

O'Connor moved that H. F. No. 728 be returned to its author. The motion prevailed.

Krueger moved that H. F. No. 1410 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. 1:

Munger, Dille, Marsh, Kahn and Bertram.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 20:

Winter, Skoglund and Abrams.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 202:

Rukavina, Farrell and Girard.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 317:

Wagenius, Vellenga and Seaberg.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 459:

Greenfield, Vellenga and Macklin.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 606:

Brown, Kalis and Seaberg.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 958:

Sparby, Solberg and Bettermann.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1050:

Orfield, Carruthers and Bishop.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 621:

Kahn, Osthoff and Johnson, V.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 1:00 p.m., Friday, May 17, 1991. 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., Friday, May 17, 1991.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SEVENTH SESSION—1991

FIFTY-SIXTH DAY

SAINT PAUL, MINNESOTA, FRIDAY, MAY 17, 1991

The House of Representatives convened at 1:00 p.m. and was called to order by Richard Krueger, Speaker pro tempore.

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

The roll was called and the following members were present:

Abrams	Frederick	Kelso	Olsen, S.	Simoneau
Anderson, I.	Ferichs	Kinkel	Olson, E.	Skoglund
Anderson, R.	Garcia	Knickerbocker	Olson, K.	Smith
Anderson, R. H.	Girard	Koppendrayner	Omann	Solberg
Battaglia	Goodno	Krinkie	Onnen	Sparby
Bauerly	Greenfield	Krueger	Orenstein	Stanius
Beard	Gruenes	Lasley	Orfield	Steensma
Begich	Gutknecht	Leppik	Osthoff	Sviggum
Bertram	Hanson	Lieder	Ostrom	Swenson
Bettermann	Hartle	Limmer	Ozment	Thompson
Bishop	Hasskamp	Long	Pauly	Tompkins
Blatz	Haukoos	Lourey	Pellow	Trimble
Bodahl	Hausman	Lynch	Pelowski	Tunheim
Boo	Heir	Macklin	Peterson	Uphus
Brown	Henry	Mariani	Pugh	Valento
Carlson	Hufnagle	Marsh	Reding	Vellenga
Carruthers	Hugoson	McEachern	Rest	Wagenius
Clark	Jacobs	McGuire	Rice	Waltman
Cooper	Janezich	McPherson	Rodosovich	Weaver
Dauner	Jaros	Milbert	Rukavina	Wejzman
Davids	Jefferson	Morrison	Runbeck	Welker
Dawkins	Jennings	Munger	Sarna	Welle
Dempsey	Johnson, A.	Murphy	Schafer	Wenzel
Dille	Johnson, R.	Nelson, K.	Scheid	Winter
Dorn	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Erhardt	Kahn	Newinski	Seaberg	
Farrell	Kalis	O'Connor	Segal	

A quorum was present.

Ogren 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

S. F. No. 300 and H. F. No. 313, 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. 300 be substituted for H. F. No. 313 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 371 and H. F. No. 416, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Vellenga moved that the rules be so far suspended that S. F. No. 371 be substituted for H. F. No. 416 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 432 and H. F. No. 474, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Rice moved that the rules be so far suspended that S. F. No. 432 be substituted for H. F. No. 474 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 559 and H. F. No. 552, 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.

559 be substituted for H. F. No. 552 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 565 and H. F. No. 592, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Brown moved that the rules be so far suspended that S. F. No. 565 be substituted for H. F. No. 592 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 720 and H. F. No. 1002, 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. 720 be substituted for H. F. No. 1002 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1474 and H. F. No. 1528, 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. 1474 be substituted for H. F. No. 1528 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. 723, A bill for an act relating to transportation; establishing state transportation goals and requiring periodic revisions of the state transportation plan; providing for enforcement of law requiring stops at railroad grade crossings; providing for enhanced public information and education regarding grade crossing safety; directing a study of rail-highway grade crossings and requiring a

report; authorizing the commissioner of transportation to make grants for the improvement of commercial navigation facilities; authorizing local units of government to advance funds for the completion of trunk highway projects; providing for rustic roads and natural preservation routes; requiring a study of toll facilities; creating a transportation services fund and providing for its uses; specifying percentage of unrefunded motor fuel tax revenue that is attributable to use on forest roads; providing for light rail transit; directing a study of highway corridors; extending and reconstituting the transportation study board and directing it to conduct certain studies; providing procedures related to assistance for transit systems; appropriating money; amending Minnesota Statutes 1990, sections 162.02, subdivision 3a; 162.09, subdivision 3a; 168.54, subdivisions 5 and 6; 169.09, subdivision 13; 169.26; 170.23; 171.13, subdivision 1, and by adding a subdivision; 170.23; 171.185; 171.26; 171.36; 173.13, subdivision 4; 173.231; 174.01; 174.03, subdivision 2, and by adding a subdivision; 219.074, by adding a subdivision; 219.402; 221.036, subdivision 14; 222.50, subdivision 7; 296.16, subdivision 1a; 296.421, subdivision 8; 299D.03, subdivision 5; 473.373, subdivision 4a; 473.375, subdivision 15; 473.377, subdivision 1; 473.399; 473.3991, subdivision 1, and by adding a subdivision; 473.3993, subdivisions 2 and 3, and by adding a subdivision; 473.3994; and 473.3996; proposing coding for new law in Minnesota Statutes, chapters 3; 160; 161; 162; 174; 219; and 221; proposing coding for new law as Minnesota Statutes, chapter 457A; repealing Laws 1988, chapter 603, section 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1 TRANSPORTATION PLANNING

Section 1. Minnesota Statutes 1990, section 174.01, is amended to read:

174.01 [CREATION; POLICY.]

Subdivision 1. [DEPARTMENT CREATED.] In order to provide a balanced transportation system, which system includes aeronautics, highways, motor carriers, ports, public transit, railroads and pipelines, a department of transportation is created. The department shall be the principal agency of the state for development, implementation, administration, consolidation, and coordination of state transportation policies, plans and programs.

Subd. 2. [TRANSPORTATION GOALS.] The legislature establishes the following goals of the state transportation system:

(1) to provide safe transportation for all users throughout the state;

(2) to provide multimodal transportation that enhances mobility and economic development and that provides access to all persons and businesses in Minnesota while ensuring that there is no undue burden placed on any community;

(3) to provide a reasonable travel time for commuters to and from work or school;

(4) to provide for the economical, efficient, and safe movement of goods to and from markets by rail, highway, and waterway;

(5) to encourage tourism by providing appropriate transportation to Minnesota facilities designed to attract tourist;

(6) to provide transit services throughout the state to meet the mobility needs of transit users;

(7) to manage the transportation system to ensure the highest levels of productivity;

(8) to provide safe and efficient air transportation in Minnesota;

(9) to maximize the benefits received for each state transportation investment;

(10) to provide funding for transportation that, at a minimum, ensures no further deterioration of the transportation infrastructure;

(11) to ensure that the planning and implementation of all modes of transportation are consistent with the environmental and energy goals of the state; and

(12) to increase high occupancy vehicle use;

(13) to increase transit use in urban areas by giving highest priority to the transportation modes with the greatest people-moving capacity, to the extent practicable; and

(14) to promote and increase bicycling as an energy-efficient, nonpolluting, and healthful transportation alternative.

Sec. 2. Minnesota Statutes 1990, section 174.03, is amended by adding a subdivision to read:

Subd. 1a. [REVISION OF STATE TRANSPORTATION PLAN.] The commissioner shall revise the state transportation plan not later than July 1, 1993, and not later than July 1 of each odd-numbered year afterward. The revised state transportation plan must:

(1) incorporate the goals of the state transportation system as enumerated in section 174.01; and

(2) provide for objectives, policies, and strategies for achieving those goals.

Sec. 3. Minnesota Statutes 1990, section 174.03, subdivision 2, is amended to read:

Subd. 2. [IMPLEMENTATION OF PLAN.] After the adoption and each revision of the statewide transportation plan, the commissioner and the transportation regulation board shall take no action inconsistent with that revised plan.

ARTICLE 2 RAILROAD CROSSINGS

Section 1. [RAIL-HIGHWAY CROSSING IMPROVEMENT.]

Subdivision 1. [STATE RAIL CORRIDOR STUDY.] The commissioner of transportation shall conduct a study of railroad crossing safety and improvement in Minnesota.

Subd. 2. [CONTENT OF STUDY.] The rail-highway grade crossing study must include:

(1) a method of determining the relative benefits of grade crossing protection and improvement to the railroad, the road authority, and the public and cost-sharing guidelines;

(2) sources of funding for grade crossing protection and improvement;

(3) research needs for grade crossing safety; and

(4) recommendations for statutory changes to improve grade crossing safety.

Subd. 3. [REPORT.] The commissioner shall report to the governor and legislature not later than February 1, 1992, on the results of the study.

Sec. 2. Minnesota Statutes 1990, section 169.26, is amended to read:

169.26 [SPECIAL STOPS AT RAILROADS.]

Subdivision 1. [REQUIREMENTS.] (a) When any person driving a vehicle approaches a railroad grade crossing under any of the circumstances stated in this paragraph, the driver shall stop the vehicle not less than ten feet from the nearest railroad track and shall not proceed until safe to do so. These requirements apply when:

(1) a clearly visible electric or mechanical signal device warns of the immediate approach of a railroad train;

(2) a crossing gate is lowered warning of the immediate approach or passage of a railroad train; or

(3) an approaching railroad train is plainly visible and is in hazardous proximity.

(b) The fact that a moving train approaching a railroad grade crossing is visible from the crossing is prima facie evidence that it is not safe to proceed.

(c) The driver of a vehicle shall stop and remain standing and not traverse the grade crossing when a human flagger signals the approach or passage of a train. No person may drive a vehicle past a flagger at a railroad crossing until the flagger signals that the way is clear to proceed.

Subd. 1a. [VIOLATION.] A peace officer may arrest the driver of a motor vehicle if the peace officer has probable cause to believe that the driver has operated the vehicle in violation of subdivision 1 within the past four hours.

Subd. 2. [PENALTY.] (a) A person driver who violates this section subdivision 1 is guilty of a misdemeanor.

(b) The owner or, in the case of a leased vehicle, the lessee of a motor vehicle is guilty of a petty misdemeanor if a motor vehicle owned or leased by the person is operated in violation of subdivision 1. This paragraph does not apply to a lessor of a motor vehicle if the lessor keeps a record of the name and address of the lessee. This paragraph does not apply if the motor vehicle operator is prosecuted for violating subdivision 1. A violation of this paragraph does not constitute grounds for revocation or suspension of the owner's or lessee's driver's license.

Subd. 3. [DRIVER TRAINING.] All driver education courses approved by the commissioner of education and the commissioner of

public safety must include instruction on railroad-highway grade crossing safety. The commissioner of education and the commissioner of public safety shall by rule provide minimum standards of course content relating to operation of vehicles at railroad and highway grade crossings.

Subd. 4. [APPROPRIATION.] The fines collected for a violation of subdivision 1 must be deposited in the state treasury and credited to the transportation services fund.

Sec. 3. Minnesota Statutes 1990, section 171.13, subdivision 1, is amended to read:

Subdivision 1. [APPLICANTS.] Except as otherwise provided in this section, the commissioner shall examine each applicant for a driver's license by such agency as the commissioner directs. This examination must include a test of applicant's eyesight; ability to read and understand highway signs regulating, warning, and directing traffic; knowledge of traffic laws; knowledge of the effects of alcohol and drugs on a driver's ability to operate a motor vehicle safely and legally; knowledge of railroad grade crossing safety; an actual demonstration of ability to exercise ordinary and reasonable control in the operation of a motor vehicle; and other physical and mental examinations as the commissioner finds necessary to determine the applicant's fitness to operate a motor vehicle safely upon the highways, provided, further however, no driver's license shall be denied an applicant on the exclusive grounds that the applicant's eyesight is deficient in color perception. Provided, however, that war veterans operating motor vehicles especially equipped for handicapped persons, shall, if otherwise entitled to a license, be granted such license. The commissioner shall make provision for giving these examinations either in the county where the applicant resides or at a place adjacent thereto reasonably convenient to the applicant.

Sec. 4. Minnesota Statutes 1990, section 171.13, is amended by adding a subdivision to read:

Subd. 1d. [RAILROAD CROSSING SAFETY.] The commissioner shall include in each edition of the driver's manual published by the department a section relating to safe operation of vehicles at railroad grade crossings.

Sec. 5. Minnesota Statutes 1990, section 219.074, is amended by adding a subdivision to read:

Subd. 3. [CROSSING INVENTORY.] By December 31, 1993, the commissioner shall complete an inventory of all public and private grade crossings in the state and shall annually revise the inventory to reflect grade crossing changes made under this section.

Sec. 6. [219.165] [SAFETY RULES AT PRIVATE RAILROAD GRADE CROSSINGS.]

By December 31, 1992, the commissioner shall adopt rules establishing minimum safety standards at all private railroad grade crossings in the state.

Sec. 7. [219.384] [REMOVAL OF DANGEROUS OBSTRUCTIONS.]

Subdivision 1. [REMOVAL ORDERED.] If a railroad company, road authority, or abutting property owner fails to control the growth of trees or vegetation or the placement of structures or other obstructions on its right-of-way or property so as to interfere with the safety of the public traveling on a public or private grade crossing, the local governing body of the town or municipality where the grade crossing is located may, by notice, require the obstruction to be removed as necessary to provide an adequate view of oncoming trains at the crossings. The commissioner shall adopt rules establishing minimum standards for visibility at public and private grade crossings.

Subd. 2. [PENALTY.] A railroad company, road authority, or property owner that fails to comply with this section within 30 days after being notified in writing is subject to a penalty of \$50 for each day that the condition is uncorrected. This penalty may be recovered in the manner provided in section 219.97, subdivision 5.

Sec. 8. Minnesota Statutes 1990, section 219.402, is amended to read:

219.402 [ADEQUATE CROSSING PROTECTION.]

Crossing safety devices or improvements installed or maintained under this chapter as approved by the board, or the commissioner, whether by order or otherwise, are adequate and appropriate protection for the crossing.

ARTICLE 3

PORT DEVELOPMENT ASSISTANCE

Section 1. [457A.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of sections 1 to 6, the following terms have the meanings given them.

Subd. 2. [COMMERCIAL NAVIGATION FACILITY.] "Commercial navigation facility" means (1) terminals and docks used for the transfer of property or passengers between commercial vessels and

land, and supporting equipment, structures, and transportation facilities, (2) disposal facilities for dredging material produced by port development projects, and (3) buildings and related structures and facilities used by commercial vessels under construction or repair. "Commercial navigation facility" does not include any commercial navigation facility that is (1) not on the commercial navigation system, or (2) the responsibility of the United States corps of army engineers or the United States coast guard.

Subd. 3. [COMMERCIAL VESSEL.] "Commercial vessel" means a vessel used for the transportation of passengers or property. "Commercial vessel" does not include a vessel used primarily for recreational or sporting purposes.

Subd. 4. [COMMISSIONER.] "Commissioner" means the commissioner of transportation.

Subd. 5. [DREDGING.] "Dredging" means excavating harbor sediment or bottom materials, including mobilizing or operating equipment for excavating and transporting dredged material to the placing dredged material in a disposal facility.

Subd. 6. [NAVIGATION SYSTEM.] "Navigation system" means (1) the commercially navigable waters of the Mississippi River, the Minnesota, and the St. Croix rivers, (2) the commercial harbors on Minnesota's Lake Superior shoreline, and (3) the commercial navigation facilities on those waterways.

Sec. 2. [457A.02] [PROGRAM ESTABLISHED.]

Subdivision 1. [PURPOSE OF PROGRAM.] A port development assistance program is established for the purpose of:

(1) expediting the movement of commodities and passengers on the commercial navigation system;

(2) enhancing the commercial vessel construction and repair industry in Minnesota; and

(3) promoting economic development in and around ports and harbors in the state.

Subd. 2. [COMMISSIONER TO ADMINISTER.] The commissioner shall administer the port development assistance program to advance the purposes of subdivision 1. In administering the program, the commissioner may:

(1) make grants and loans to persons eligible under section 3, subdivision 1, to apply for them; (2) make assistance agreements

with recipients of grants and loans; and (3) adopt rules authorized by section 5.

Sec. 3. [457A.03] [PORT ASSISTANCE.]

Subdivision 1. [ELIGIBLE APPLICANTS.] Any person, political subdivision, or port authority, that owns a commercial navigation facility, may apply to the commissioner for assistance under this chapter.

Subd. 2. [TYPES OF ASSISTANCE.] The commissioner may make loans to an eligible applicant if the commissioner determines that the project submitted by the applicant for assistance will serve either or both of the purposes stated in section 2, subdivision 1, clauses (1) and (2). The commissioner may make grants, or a combination of grants and loans, to an eligible applicant if the commissioner determines that the project submitted by the applicant for assistance will serve either or both of the purposes stated in section 2, subdivision 1, clauses (1) and (2), and will also enhance economic development in and around the commercial navigation facility being assisted.

Subd. 3. [STATE PARTICIPATION; LIMITATIONS.] The commissioner may not provide any assistance under this chapter for more than 50 percent of the nonfederal share of any project. Assistance provided under this chapter may not be used to match any other state funds, regardless of source. The commissioner shall not assume continuing funding responsibility for any commercial navigation facility project.

Sec. 4. [457A.04] [ASSISTANCE AGREEMENTS.]

Subdivision 1. [AGREEMENTS REQUIRED.] The commissioner may not provide any assistance to a project under this chapter unless the commissioner has signed an assistance agreement with the recipient of the assistance.

Subd. 2. [COSTS.] An assistance agreement must specify those project costs which may be paid in whole or in part with assistance from the commissioner. Assistance agreements may provide that only the following costs may be so paid:

(1) final engineering costs on a commercial navigation facility project;

(2) capital improvements to a commercial navigation facility; and (3) costs of dredging necessary to open a new commercial navigation facility project, and for disposal of dredged material.

The following costs may not be paid with assistance from the commissioner:

- (1) the applicant's administrative, insurance, and legal costs;
- (2) costs of acquiring permits for a project;
- (3) costs of preparing environmental documents, feasibility studies, or project designs;
- (4) interest on money borrowed by the applicant or interest charged to the applicant for late payment of project costs;
- (5) any costs related to the routine maintenance or repair, or operation of a commercial navigation facility;
- (6) costs of dredging to maintain an existing channel; and (7) any costs for a project that consists exclusively of dredging.

Subd. 3. [INSURANCE; LIABILITY.] An assistance agreement must require the applicant to:

- (1) provide a comprehensive general liability insurance policy, complying with minimum amount prescribed by the commissioner by rule, naming the commissioner and officers, employees, and agents of the department of transportation as additional insureds; and
- (2) save and hold the commissioner harmless from and against all liability, damage, loss, claims, demands, and actions related to the project being assisted.

Subd. 4. [PERFORMANCE AND PAYMENT BONDS.] An assistance agreement must require an assistance recipient to provide evidence of performance and payment bonds, satisfying all applicable legal requirements for the full amount of any and all construction contracts let by the applicant in connection with the project.

Subd. 5. [REPAYMENT.] An assistance agreement must require the recipient to repay all or part of any assistance received, in an amount determined by the commissioner, if the project for which the assistance is provided:

- (1) is not completed according to the terms of the assistance agreement, or
- (2) is converted, during the period of time specified in the assistance agreement, to a use that is (1) inconsistent with the purposes of this chapter, or (2) inconsistent with the terms of the

assistance agreement, or (3) not approved in writing by the commissioner.

Sec. 5. [457A.05] [RULES.]

The commissioner may adopt rules that provide for:

- (1) application procedures for assistance under this chapter;
- (2) procedures for establishing deadlines for applications, and for notifying potential recipients of those deadlines;
- (3) eligibility criteria for projects to be assisted;
- (4) information required to be submitted with applications;
- (5) contents of assistance agreements;
- (6) any other requirement of this chapter; and
- (7) any other requirement the commissioner deems necessary for the administration of this chapter.

Sec. 6. [457A.06] [REVOLVING FUND.]

A port development revolving fund is established in the state treasury. The fund consists of (1) all money appropriated to the commissioner for the purposes of this chapter and (2) all money received by the commissioner from repayment of loans made under this chapter.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective July 1, 1991.

ARTICLE 4

LOCAL HIGHWAY FINANCE

Section 1. Minnesota Statutes 1990, section 103G.301, is amended by adding a subdivision to read:

Subd. 5a. [TOWN FEES LIMITED.] Notwithstanding this section or any other law, no permit application or field inspection fee charged to a town in connection with the construction or alteration of a town road, bridge, or culvert shall exceed \$100.

Sec. 2. [160.82] [RUSTIC ROADS PROGRAM.]

Subdivision 1. [DESIGNATION.] A road authority other than the commissioner may, by resolution, designate a road or highway under its jurisdiction as a rustic road. A rustic road must have the characteristics of outstanding natural features or rustic or scenic beauty; a daily traffic volume of less than 150 vehicles per day; year-round use as a local access road; and maximum allowable speed of 45 miles per hour.

Subd. 2. [LOCAL AUTHORITY.] The road authority has the same authority over rustic roads as over other highways and roads under its jurisdiction. The road authority may designate the type and character of vehicles that may be operated on the rustic road; designate a rustic road or portion of the road as a pedestrian way or bicycle way, or both; and establish priority of right-of-way, paint lines, and construct dividers to physically separate vehicular, bicycle, or pedestrian traffic.

Subd. 3. [JOINT DESIGNATION.] Two or more road authorities may jointly designate a rustic road along a common boundary or into or through their jurisdictions. The road authorities may enter into agreements to divide the costs and responsibility for maintaining the rustic road.

Subd. 4. [COSTS.] A rustic road must be maintained by the road authority having jurisdiction over the road and is not eligible for state-aid funding. State money must not be spent to construct, reconstruct, maintain, or improve a rustic road, except that the commissioner shall pay from the transportation services fund the costs of publishing a map of rustic roads within the state and installing and maintaining signs designating rustic roads.

Sec. 3. [160.83] [STREETS AND HIGHWAYS WITHIN PARKS.]

Subdivision 1. [DEFINITION.] "Park road" means that portion of a street or highway located entirely within the park boundaries of or abutting a city, county, regional, or state park.

Subd. 2. [RESTRICTIONS.] A road authority may not make any changes in the width, grade, or alignment of a park road, other than a county state-aid highway or municipal state-aid street, that would affect the wildlife habitat or aesthetic characteristics of the park road or its adjacent vegetation or terrain, other than changes required to permit the safe travel of vehicles at the speed lawfully designated for that park road. A road authority may not make any changes in the width, grade, or alignment of a park road that is a county state-aid highway or municipal state-aid street that would affect the wildlife habitat or aesthetic characteristics of the park road or its adjacent vegetation or terrain, other than changes required by the minimum state-aid standard applicable to that road.

Subd. 3. [LIABILITY.] A road authority making changes in a park

road described in subdivision 1, and its officers and employees, are exempt from liability for any tort claim for injury to persons or property arising from travel on that park road and related to the design of that park road, if the design is adopted to conform to this section, the design complies with the minimum state-aid standards applicable to the road, and the design is not grossly negligent. This subdivision does not preclude an action for damages arising from negligence in the construction, reconstruction, or maintenance of a park road.

Sec. 4. [161.361] [ADVANCE FUNDING FOR TRUNK HIGHWAY PROJECTS.]

Subdivision 1. [ADVANCE FUNDING.] A road authority other than the commissioner may by agreement with the commissioner make advances from any available funds to the commissioner to expedite construction of all or part of a trunk highway within its boundaries. Money may be advanced under this section only for projects already included in the commissioner's highway work program.

Subd. 2. [REPAYMENT.] Subject to the availability of state money, the commissioner shall repay without interest the amount advanced under subdivision 1, up to the state's share of project costs, at the time the project is scheduled for completion in the highway work program. The total amount of annual repayment to road authorities under this section must never exceed the amount stated in the department's debt management policy or \$10 million, whichever is less.

Subd. 3. [LOCAL COST SHARING FOR TRUNK HIGHWAY IMPROVEMENTS.] The commissioner may accept gifts, contributions, or grants from a local government body for trunk highway construction, reconstruction, improvement, or maintenance of trunk highways within its boundaries. Money accepted by the commissioner under this subdivision must not adversely affect the scheduling of other trunk highway projects that are not funded in whole or in part by local contributions.

Sec. 5. Minnesota Statutes 1990, section 162.02, subdivision 3a, is amended to read:

Subd. 3a. [VARIANCES, RULES AND ENGINEERING STANDARDS.] The commissioner may grant variances from the rules and from the engineering standards developed pursuant to section 162.021 or 162.07, subdivision 2. A political subdivision in which a county state-aid highway is located or is proposed to be located may submit a written request to the commissioner for a variance for that highway. The commissioner shall publish notice of the request in the state register and give notice to all persons known to the commissioner to have an interest in the matter. The commissioner may

grant or deny the variance within 30 days of providing notice of the request. If a written objection to the request is received within 20 days of providing notice, the variance shall be granted or denied only after a contested case hearing has been held on the request. If no timely objection is received and the variance is denied without hearing, the political subdivision may request, within 30 days of receiving notice of denial, and shall be granted a contested case hearing. For purposes of this subdivision, with respect to a variance required for a county state-aid highway that is a park road as defined in section 160.83, subdivision 1, "political subdivision" includes (1) an agency of a political subdivision which has jurisdiction over parks, and (2) a regional park agency.

Sec. 6. [162.021] [NATURAL PRESERVATION ROUTES.]

Subdivision 1. [NATURAL PRESERVATION ROUTES ESTABLISHED.] The commissioner shall create within the county state-aid highway system a system of natural preservation routes. The commissioner shall provide for criteria for inclusion in the system and for the adoption of standards for the design of routes on the system.

Subd. 2. [CRITERIA.] The criteria for inclusion on the natural preservation route system must provide for the inclusion in the system of those county state-aid highways that possess unique scenic, environmental, aesthetic, recreational, or historic characteristics that would be harmed by construction or reconstruction using standards applicable to county state-aid highways that are not part of the natural preservation route system.

Subd. 3. [STANDARDS.] The design standards adopted by the commissioner for natural preservation routes must provide for the preservation of the characteristics described in subdivision 2, to the extent consistent with public safety. The standards must provide for minimum width of vehicle recovery areas, minimum slopes, and minimum ditch widths, consistent with anticipated speed and volume of traffic on the highway.

Subd. 4. [DESIGNATION.] The commissioner may designate a county state-aid highway as a natural preservation route only on petition of the governing body of the county having jurisdiction over the road. On receiving a petition for designation the commissioner shall appoint an advisory committee consisting of seven members. An advisory committee must include at least one representative of the department of natural resources or the United States department of agriculture forest service, one county commissioner, one county highway engineer, and one representative of a recognized environmental organization. The advisory committee shall consider the petition for designation and make a recommendation to the commissioner. Following receipt of the committee's recommenda-

tion the commissioner may designate the highway as a natural preservation route.

Subd. 5. [SIGNS.] The county having jurisdiction over a natural preservation route must post signs at each entry point to the route informing the public that the highway is a natural preservation route. Signs erected under this subdivision are prima facie evidence of adequate notice to the public that the highway has been designated a natural preservation route.

Subd. 6. [LIABILITY.] When a county state-aid highway has been designated a natural preservation route, constructed in accordance with the standards established by the commissioner under subdivision 1, and signs have been erected as provided in subdivision 5, the state and the county having jurisdiction over the highway, and their officers and employees, are exempt from liability for any tort claim for injury to persons or property arising from travel on the highway and related to the standards for its design, if the design standards comply with the standards established by the commissioner under subdivision 1. This subdivision does not preclude an action for damages arising from negligence in the construction, reconstruction, or maintenance of a natural preservation route.

Sec. 7. Minnesota Statutes 1990, section 162.09, subdivision 3a, is amended to read:

Subd. 3a. [VARIANCES, RULES AND ENGINEERING STANDARDS.] The commissioner may grant variances from the rules and from the engineering standards developed pursuant to section 162.13, subdivision 2. A political subdivision in which a municipal state-aid street is located or is proposed to be located may submit a written request to the commissioner for a variance for that street. The commissioner shall publish notice of the request in the state register and give notice to all persons known to the commissioner to have an interest in the matter. The commissioner may grant or deny the variance within 30 days of providing notice of the request. If a written objection to the request is received within 20 days of providing notice, the variance shall be granted or denied only after a contested case hearing has been held on the request. If no timely objection is received and the variance is denied without hearing, the political subdivision may request, within 30 days of receiving notice of denial, and shall be granted a contested case hearing. For purposes of this subdivision, with respect to a variance requested for a municipal state-aid street that is a park road as defined in section 160.83, subdivision 1, "political subdivision" includes (1) an agency of a political subdivision which has jurisdiction over parks, and (2) a regional park authority.

Sec. 8. Minnesota Statutes 1990, section 221.033, is amended by adding a subdivision to read:

Subd. 4. [VARIANCE.] The commissioner may adopt rules to provide a procedure to grant variances from regulations adopted under subdivision 1, and contained in Code of Federal Regulations, title 49, part 180. The variances must apply only to cargo tanks with a capacity of 3,000 gallons or less that transport gasoline in intrastate commerce in Minnesota and were first used in transportation before August 1, 1991. The commissioner shall establish inspection, testing, and registration requirements to ensure the safety of cargo tanks operated under a variance granted under this subdivision.

Sec. 9. [BICYCLE FACILITIES.]

The commissioner of transportation shall seek federal funding under United States Code, title 23, section 217, subsection (b), for the establishment of facilities for bicycle transportation.

ARTICLE 5

TRANSPORTATION SERVICES FUND

Section 1. [161.041] [TRANSPORTATION SERVICES FUND.]

Subdivision 1. [FUND CREATED.] A transportation services fund is created in the state treasury. The fund consists of all money required by law to be deposited in the fund, and other money made available to the fund by law.

Subd. 2. [USES OF FUND.] Money in the transportation services fund may only be expended by appropriation for

(1) activities of the commissioner of public safety relating to (i) driver licensing, (ii) motor vehicle registration and licensing, (iii) the accident reporting system; and (iv) the state patrol;

(2) activities of the commissioner of transportation relating to oversize and overweight permits, including the cost of necessary highway maintenance and preservation related to granting those permits;

(3) activities of the commissioner of transportation related to junkyard screening and control of outdoor advertising devices;

(4) activities of the transportation regulation board related to motor carrier regulation; and

(5) repayment of money borrowed for new buildings, and improvements to existing buildings, of the department of transportation.

Sec. 2. Minnesota Statutes 1990, section 296.16, subdivision 1a, is amended to read:

Subd. 1a. [INTENT; FOREST ROADS.] ~~\$675,000~~ Approximately 0.116 percent of the total annual unrefunded revenue from the gasoline fuel tax on all gasoline and special fuel received in, produced, or brought into this state, except gasoline and special fuel used for aviation purposes, is derived from the operation of motor vehicles on state forest roads and county forest access roads, ~~and~~. ~~Of this sum, \$400,000 amount, 0.0605 percent is annually derived from motor vehicles operated on state forest roads and \$275,000 0.0555 percent is annually derived from motor vehicles operated on county forest access roads in this state.~~

Sec. 3. Minnesota Statutes 1990, section 296.421, subdivision 8, is amended to read:

Subd. 8. [COMPUTATION AND DISTRIBUTION OF UNREFUNDED TAXES FOR FOREST ROADS.] The amount of unrefunded tax paid on gasoline and special fuel used to operate motor vehicles on forest roads, except gasoline and special fuel used for aviation purposes, is ~~\$675,000 annually~~ 0.116 percent of the total unrefunded revenue from the tax on all gasoline and special fuel received in, produced, or brought into the state, and this revenue is appropriated from the highway user tax distribution fund and must be transferred and credited in equal installments on July 1 and January 1 to the state forest road account established in section 89.70. \$275,000 of this amount An amount equal to 0.0555 percent of the unrefunded revenue must be annually transferred to counties for management and maintenance of county forest roads.

Sec. 4. Minnesota Statutes 1990, 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 as follows:

(1) In the fiscal year ending June 30, 1991, the first \$205,000 in money received by the state treasurer after the effective date of this section must be credited to the transportation services fund, and the remainder in the fiscal year credited to the trunk highway fund.

(2) In fiscal year 1992, the first \$145,000 in money received by the state treasurer in the fiscal year must be credited to the transportation services fund, and the remainder credited to the trunk highway fund.

(3) In fiscal years 1993 and subsequent years, the entire amount received by the state treasurer 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 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.

Sec. 5. [APPROPRIATION.]

Subdivision 1. [GENERAL APPROPRIATION.] \$350,000 is appropriated from the transportation services fund as provided in subdivision 2.

	<u>1992</u>	<u>1993</u>
<u>Subd. 2. Department of Transportation</u>		
<u>(a) Conduct railroad crossing protection study</u>	\$ <u>60,000</u>	\$ <u>-0-</u>
<u>(b) Develop grade crossing education program</u>	\$ <u>20,000</u>	\$ <u>20,000</u>
<u>Subd. 3. Transportation Study Board</u>	\$ <u>125,000</u>	\$ <u>125,000</u>

Sec. 6. [EFFECTIVE DATE.]

Section 4 is effective the day following final enactment. Sections 1 to 3 and 5 are effective July 1, 1991.

ARTICLE 6

METROPOLITAN TRANSPORTATION DEVELOPMENT

Section 1. [161.1246] [HIGHWAY RECONSTRUCTION; LIGHT RAIL TRANSIT.]

The commissioner of transportation shall ensure that design plans for reconstruction of marked interstate highways I-94 and I-35W provide for light rail transit facilities as part of the reconstruction. The design for reconstruction of interstate highway I-94 must include design for a light rail transit facility, as described in the midway corridor draft environmental impact statement, from the Western Avenue intersection near downtown St. Paul to approximately Fairview Avenue. The design for reconstruction of interstate highway I-35W must include design for a light rail transit facility from the city of Minneapolis to approximately county road 42 in the city of Burnsville. The commissioner shall consult with regional railroad authorities where the highway reconstruction will occur to ensure an acceptable and feasible light rail transit facility design is included in the highway reconstruction.

Sec. 2. [174.35] [LIGHT RAIL TRANSIT.]

The commissioner of transportation may plan, acquire, construct, and equip light rail transit facilities in the metropolitan area as provided in this section, sections 473.399 to 473.3996, and sections 14 and 15 and may exercise the powers granted in chapter 174 as necessary for this purpose. The commissioner shall review and approve all preliminary design, preliminary engineering, and final design plans for light rail transit facilities.

Sec. 3. Minnesota Statutes 1990, section 473.373, subdivision 4a, is amended to read:

Subd. 4a. [MEMBERSHIP.] (a) The board consists of 11 members with governmental or management experience. Appointments are subject to the advice and consent of the senate. Terms of members are four years commencing on the first Monday in January of the first year of the term.

(b) The council shall appoint eight members, one from each of the following agency districts:

- (1) district A, consisting of council districts 1 and 2;

- (2) district B, consisting of council districts 3 and 7;
- (3) district C, consisting of council districts 4 and 5;
- (4) district D, consisting of council districts 6 and 11;
- (5) district E, consisting of council districts 8 and 10;
- (6) district F, consisting of council districts 9 and 13;
- (7) district G, consisting of council districts 12 and 14; and
- (8) district H, consisting of council districts 15 and 16.

~~At least Six must be elected officials of statutory or home rule charter cities, towns, or counties. Two of these officials must be county board members, each from a different county, and four must be elected officials of cities or towns. Service on the board of a person who is appointed as an elected official may continue only as long as the person holds the office. At least 30 days before the expiration of a term or upon the occurrence of a vacancy, the council shall request nominations for the position from relevant organizations of local elected officials, such as the association of metropolitan municipalities, the metropolitan intercounty association, the association of urban counties, and where applicable, the association of townships. Each relevant organization shall nominate at least two persons for each position. A local governmental unit that is not a member of an organization may submit nominations independently. The council shall make its appointments from the nominations submitted to it to the extent possible consistent with the other requirements of this paragraph and with the appointment of a board that fairly reflects the diverse areas and constituencies affected by transit.~~

(c) The governor shall appoint, in addition to the chair, two persons, one who is age 65 or older at the time of appointment, and one with a disability. These appointments must be made following the procedures of section 15.0597. In addition, at least 30 days before the expiration of a term or upon the occurrence of a vacancy in the office held by a senior citizen or a person with a disability, the governor shall request nominations from organizations of senior citizens and persons with disabilities. Each organization shall nominate at least two persons. The governor shall consider the nominations submitted.

(d) No more than three of the members appointed under paragraphs (b) and (c) may be residents of the same statutory or home rule city or town, and none may be a member of the joint light rail transit advisory committee established under section 473.3991.

Sec. 4. Minnesota Statutes 1990, section 473.399, is amended to read:

473.399 [LIGHT RAIL TRANSIT; REGIONAL PLAN.]

Subdivision 1. [GENERAL REQUIREMENTS.] (a) The transit board shall adopt a regional light rail transit plan, as provided in this section, to ensure that light rail transit facilities in the metropolitan area will be acquired, developed, owned, and capable of operation in an efficient, cost-effective, and coordinated manner as an integrated and unified system on a multicounty basis in coordination with buses and other transportation modes and facilities. To the extent practicable, the board shall incorporate into its plan appropriate elements of the plans of regional railroad authorities in order to avoid duplication of effort.

(b) The regional plan required by this section must be adopted by the board before any regional railroad authority may begin construction of light rail transit facilities and before any authority is eligible for state financial assistance for constructing light rail transit facilities. Following adoption of the regional plan, each regional railroad authority or other developer of light rail transit in the metropolitan area shall act in conformity with the plan. Each authority or proposer shall prepare or amend its comprehensive plan and preliminary and final design plans as necessary to make the plans consistent with the regional plan.

(c) Throughout the development and implementation of the plan, the board shall contract for or otherwise obtain engineering services to assure that the plan adequately addresses the technical aspects of light rail transit.

(d) The board may periodically review the plan and may make modifications or amendments to the plan.

Subd. 2. [DEVELOPMENT AND FINANCIAL PLAN.] (a) The board shall adopt a regional development and financial plan for light rail transit composed of the following elements:

(1) a staged development plan of light rail transit corridors;

(2) a statement of needs, objectives, and priorities for capital development and service for a prospective ten-year period, considering service needs, ridership projections, and other relevant factors for the various segments of the system, along with a statement of the fiscal implications of these objectives and priorities, and policies and recommendations for long-term capital financing;

(3) a capital investment component for a five-year period following the commencement of construction of facilities, with policies and

recommendations for ownership of facilities and for financing capital and operating costs.

(b) For any segments of rail line that may be constructed below the surface elevation, the plan must estimate the additional capital costs, debt service, and subsidy level that are attributable to the below grade construction. The plan must include a method of financing the operation of light rail transit that depends on property tax revenue for no more than 35 percent of the operations cost.

(c) The board shall prepare the initial plan in consultation with its light rail transit advisory committee. The board shall submit the plan and amendments to the plan to the metropolitan council for review and approval or disapproval, for conformity with the council's transportation plan. The council has 90 days to complete its review.

Subd. 3. [COORDINATION PLAN.] (a) The board shall adopt a regional coordination plan for light rail transit. The plan must include:

(1) a method for organizing and coordinating acquisition, construction, ownership, and operation of light rail transit facilities, including in particular, coordination of vehicle specifications, provisions for a single light rail transit operator for the system, and the organization and coordination method required if a turn-key approach to facility acquisition is used by a regional railroad authority;

(2) specifications and standards to ensure joint or coordinated procurement of rights-of-way, track, vehicles, electrification, communications and ticketing facilities, yards and shops, stations, and other facilities that must be or should be operated on a systemwide basis;

(3) systemwide operating and performance specifications and standards;

(4) bus and park-and-ride coordination policies, standards, and plans to assure maximum use of light rail transit and the widest possible access to light rail transit in both urban and suburban areas;

(5) a method for ensuring ongoing coordination of development, design, and operational plans for light rail facilities;

(6) provision for the operation of light rail transit by the metropolitan transit commission; and

(7) other matters that the board deems prudent and necessary to ensure that light rail transit facilities are acquired, developed,

owned, and capable of operation in an efficient, cost-effective, and coordinated manner as an integrated and unified system on a multicounty basis in coordination with buses and other transportation modes and facilities.

(b) The joint light rail transit advisory committee shall prepare and recommend the initial plan to the board. The board shall review the plan within 90 days and either adopt it or disapprove it and return it to the committee with the modifications that the board recommends before adoption of the plan. The committee shall take into consideration the board's recommendations and resubmit the plan to the board for review and adoption or disapproval.

(c) The metropolitan council shall review and comment on the plan and amendments to the plan.

Sec. 5. Minnesota Statutes 1990, section 473.3991, subdivision 1, is amended to read:

Subdivision 1. [CREATION; PURPOSE.] The transit board shall establish a joint light rail transit advisory committee, to assist the board in planning light rail transit facilities and in coordinating the light rail transit activities of the county regional railroad authorities and the transit commission. The committee shall perform the duties specified in section 473.399 and Laws 1989, chapter 339, section 20; ~~and shall otherwise assist the board upon request of the board.~~

Sec. 6. Minnesota Statutes 1990, section 473.3991, is amended by adding a subdivision to read:

Subd. 5. [TERMINATION.] The committee ceases to exist on the day following final enactment.

Sec. 7. Minnesota Statutes 1990, section 473.3993, subdivision 2, is amended to read:

Subd. 2. [PRELIMINARY DESIGN PLAN.] "Preliminary design plan" means a light rail transit plan that ~~identifies~~ includes:

(1) preliminary plans for the physical design of facilities, at approximately the ten percent engineering level, including location, length, and termini of routes; general dimension, elevation, alignment, and character of routes and crossings; whether the track is elevated, on the surface, or below ground; approximate station locations; and related park and ride, parking, and other transportation facilities; and a plan for handicapped access; and

(2) preliminary plans for intermodal coordination with bus operations and routes; ridership; capital costs; operating costs and

revenues; and funding for final design, construction, and operation; and an implementation method.

Sec. 8. Minnesota Statutes 1990, section 473.3993, is amended by adding a subdivision to read:

Subd. 2a. [PRELIMINARY ENGINEERING PLAN.] “Preliminary engineering plan” means a light rail transit engineering plan that includes plans for the physical design of the facilities at approximately the 30 percent engineering level; a funding plan for final design, construction, and operation; and an implementation method.

Sec. 9. Minnesota Statutes 1990, section 473.3993, subdivision 3, is amended to read:

Subd. 3. [FINAL DESIGN PLAN.] “Final design plan” means a light rail transit plan that includes the items in the preliminary design and preliminary engineering plan for the facilities proposed for construction, but with greater detail and specificity. The final design plan must include, at a minimum:

(1) final plans for the physical design of facilities, including the right-of-way definition; environmental impacts and mitigation measures; intermodal coordination with bus operations and routes; and civil engineering plans for vehicles, track, stations, parking, and access, including handicapped access; and

(2) final plans for civil engineering for electrification, communication, and other similar facilities; operational rules, procedures, and strategies; capital costs; ridership; operating costs and revenues; financing for construction and operation; an implementation method; and other similar matters.

The final design plan must be stated with sufficient particularity and detail to allow the proposer to begin the acquisition and construction of operable facilities. If a turn-key implementation method is proposed, instead of civil engineering plans the final design plan must state detailed design criteria and performance standards for the facilities.

Sec. 10. Minnesota Statutes 1990, section 473.3994, is amended to read:

473.3994 [LIGHT RAIL TRANSIT; ~~DESIGN~~ FACILITY PLANS.]

Subd. 1a. [PRELIMINARY DESIGN PLANS.] The regional transit board shall establish a procedure for preparing preliminary design plans for light rail transit facilities. The procedure must ensure that preliminary design plans implement the board's regional transit plan and qualify for federal funds in accordance with

the board's plan, and that proposals for engineering and construction projects are prepared in a timely and cost-effective manner.

Subd. 2. [PRELIMINARY DESIGN AND ENGINEERING PLANS; PUBLIC HEARING.] ~~Before preparing final design plans for a light rail transit facility, the A political subdivision proposing the that has prepared preliminary design and preliminary engineering plans for a proposed facility must hold a public hearing on the physical design component of the preliminary design plans and the preliminary engineering plans. The proposer must provide appropriate public notice of the hearing and publicity to ensure that affected parties have an opportunity to present their views at the hearing.~~

Subd. 3. [PRELIMINARY DESIGN AND PRELIMINARY ENGINEERING PLANS; LOCAL APPROVAL.] ~~At least 30 days before the hearing under subdivision 2, the proposer shall submit the physical design component of the preliminary design plans to the governing body of each statutory and home rule charter city, county, and town in which the route is proposed to be located. The city, county, or town shall hold a public hearing, except that a county board need not hold a hearing if the county board membership is identical to the membership of the regional railroad authority submitting the plan for review. Within 45 days after the hearing under subdivision 2, the city, county, or town shall review and approve or disapprove the plans for the route to be located in the city, county, or town. A local unit of government that disapproves the plans shall describe specific amendments to the plans that, if adopted, would cause the local unit to withdraw its disapproval. Failure to approve or disapprove the plans in writing within 45 days after the hearing is deemed to be approval, unless an extension of time is agreed to by the city, county, or town and the proposer.~~

Subd. 4. [PRELIMINARY DESIGN AND PRELIMINARY ENGINEERING PLANS; REGIONAL TRANSIT BOARD REFERRAL.] ~~If the governing body of one or more cities, counties, or towns disapproves the preliminary design or preliminary engineering plans within the period allowed under subdivision 3, the proposer may refer the plans, along with any comments of local jurisdictions, to the regional transit board. The board shall hold a hearing on the plans, giving the proposer, any disapproving local governmental units, and other persons an opportunity to present their views on the plans. The board may conduct independent study as it deems desirable and may mediate and attempt to resolve disagreements about the plans. Within 90 days after the referral, the board shall review the plans submitted by the proposer and may recommend amended plans to accommodate the objections presented by the disapproving local governmental units.~~

Subd. 5. [FINAL DESIGN PLANS.] (a) ~~Before beginning construction, the proposer shall submit the physical design component of~~

final design plans to the governing body of each statutory and home rule city, county, and town in which the route is proposed to be located. Within 60 days after the submission of the plans, the city, county, or town shall review and approve or disapprove the plans for the route located in the city, county, or town. A local unit of government that disapproves the plans shall describe specific amendments to the plans that, if adopted, would cause the local unit to withdraw its disapproval. Failure to approve or disapprove the plans in writing within the time period is deemed to be approval, unless an extension is agreed to by the city, county, or town and the proposer.

(b) If the governing body of one or more cities, counties, or towns disapproves the plans within the period allowed under paragraph (a), the proposer may refer the plans, along with any comments of local jurisdictions, to the regional transit board. The board shall review the final design plans under the same procedure and with the same effect as provided in subdivision 4 for preliminary design plans.

Subd. 6. [COUNTY APPROVAL.] The proposer of a light rail transit facility in the metropolitan area ~~must~~ shall submit the preliminary and final design plans for the facility to the governing board of the county in which the route is proposed to be located for approval or disapproval. The proposer of the facility may not proceed with construction of the facility without the approval of the county.

Subd. 7. [COUNCIL REVIEW.] Before proceeding with construction of a light rail transit facility, a ~~regional rail authority established under chapter 398A~~ must the proposer of the facility shall submit preliminary design plans, preliminary engineering plans, and final design plans to the metropolitan council. The council ~~must~~ shall review the plans for consistency with the council's development guide and comment on the plans.

Subd. 8. [METROPOLITAN SIGNIFICANCE.] This section does not diminish or replace the authority of the council under section 473.173.

Sec. 11. Minnesota Statutes 1990, section 473.3996, is amended to read:

473.3996 [LIGHT RAIL TRANSIT FACILITY DESIGN PLANS; REVIEW BY BOARD.]

Subdivision 1. [PRELIMINARY DESIGN AND ENGINEERING PLANS; BOARD REVIEW.] Before submitting the physical design component of final design plans of a light rail transit facility for local review under section 473.3994, subdivision 5, the proposer shall submit preliminary design and preliminary engineering plans to the regional transit board for review. The board shall review the

preliminary design plans to determine the compatibility of the plans with other light rail transit plans and facilities in the metropolitan area, the adequacy of the plans for operation and maintenance of facilities, the adequacy of the plans for handicapped accessibility, and the conformity of the plans with the council's transportation policy plan and the board's regional light rail transit plan prepared under section 473.399. The board shall submit the plans to the metropolitan transit commission for recommendations on specifications and other matters affecting operation and maintenance of facilities. The board shall submit the plans to the council for recommendations on the conformity of the plans with the council's transportation policy plan. The board may comment on any aspect of the plans. The board has 90 days to complete its review, unless an extension of time is agreed to by the proposer. If the board determines that the plans do not satisfy the standards stated in this subdivision, the board shall recommend modifications in the plans that are necessary in order to satisfy the board. After adopting or amending the regional plan required by section 473.399, the board may again review any previously reviewed preliminary design plans and recommend modifications that are necessary to satisfy the board.

Subd. 2. [FINAL DESIGN PLANS; BOARD APPROVAL.] Before acquiring or constructing light rail transit facilities, other than land for right of way, the proposer shall submit final design plans to the regional transit board for review. The board shall review the final design plans under the same procedure and schedule and according to the same standards as provided for its review of preliminary design plans. The board shall either approve the plans, or if it determines that the plans do not satisfy the standards, disapprove the plans, in whole or in part, and recommend modifications in the plans that are necessary to secure approval. A proposer may not proceed with acquisition or construction of a light rail transit facility, other than land for right of way, unless the final design plans for the facility have been approved by the board. Following approval of final design plans by the board, if a regional railroad authority wishes to select a bid or a response to a request for proposal that is more than ten percent higher than the capital costs indicated in the final design plans for the facility, the authority may not proceed with construction until it has resubmitted the final design plans to the transit board for further review and approval or disapproval. The board has ten working days to review and approve or disapprove and recommend modification, unless an extension of time is agreed to by the authority.

Sec. 12. [473.3997] [LIGHT RAIL TRANSIT JOINT POWERS BOARD.]

A light rail transit joint powers board shall be formed under section 471.59 to implement light rail transit final design and construction of the corridors funded solely with federal and county

funds. The board shall consist of a voting member from the metropolitan transit commission, the department of transportation, the regional transit board, the metropolitan council, and the regional rail authorities of Hennepin, Ramsey, Anoka, Washington, Dakota, Scott, and Carver counties, plus an additional voting member from a county regional rail authority with a corridor in which final design has begun.

Sec. 13. [FEDERAL FUNDING; LIGHT RAIL TRANSIT.]

(a) By July 1, 1992, the regional transit board, the regional rail authorities, and the commissioner of transportation shall prepare a joint application for federal assistance for light rail transit facilities in the metropolitan area. The application must be reviewed and approved by the metropolitan council before it is submitted. The board, the rail authorities, and the commissioner must consult with the council in preparing the application. The application may provide for metropolitan regional railroad authorities to design or construct light rail transit facilities under contract with the commissioner.

(b) Until the application described in paragraph (a) is submitted, no political subdivision in the metropolitan area may on its own apply for federal assistance for light rail transit planning or construction.

Sec. 14. [LIGHT RAIL FUNDING.]

If funds are appropriated by the legislature for construction of light rail transit facilities, the funds must be used first for construction of the central corridor in accordance with section 15.

Sec. 15. [CENTRAL CORRIDOR FACILITIES.]

Subdivision 1. [CONSTRUCTION.] The commissioner of transportation shall review and approve preliminary engineering plans, prepare final design plans, and construct light rail transit facilities in the central corridor. The commissioner shall submit final design plans for review in the manner provided under Minnesota Statutes, sections 473.3994 and 473.3996.

Subd. 2. [TUNNEL.] The commissioner may not construct underground light rail transit facilities, except that the commissioner may enter into agreements providing for underground construction if the additional costs of underground construction are paid by the city or the regional railroad authority in which the facility is located.

Subd. 3. [OWNERSHIP.] By January 1, 1993, the commissioner shall present to the legislature a plan for transferring or sharing

ownership in the land and facilities for light rail transit, and providing for maintenance of the facilities. The plan must be prepared in consultation with the regional transit board, the metropolitan transit commission, and affected local government units.

Subd. 4. [REPORT TO BOARD.] The commissioner shall report to the transportation study board on the status of the preliminary engineering plans, including cost estimates, for the central corridor by November 15, 1991.

Sec. 16. [APPLICATION.]

Sections 1 to 15 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 17. [EFFECTIVE DATE.]

Sections 5, 6, and 12 are effective July 1, 1991.

ARTICLE 7

TRANSPORTATION STUDIES

Section 1. [161.53] [RESEARCH ACTIVITIES.]

The commissioner may set aside for transportation research in each fiscal year an amount up to one percent of the total amount of all funds appropriated to the commissioner other than county state-aid and municipal state-aid highway funds. The commission shall expend this money for (1) research to improve the design, construction, maintenance, management, and environmental compatibility of transportation systems; (2) research to improve the development of transportation policies with respect to energy efficiency and economic development; (3) programs for implementing and monitoring research results; and (4) developing transportation education and outreach activities. Of all funds appropriated to the commissioner other than state-aid funds, the commissioner shall expend 0.1 percent, but not exceeding \$800,000 in any fiscal year, for research and related activities performed by the center for transportation studies of the University of Minnesota. The center shall establish a technology transfer and training center for Minnesota transportation professionals.

Sec. 2. [DEPARTMENT OF TRANSPORTATION; CORRIDOR STUDIES.]

Subdivision 1. [FINDING.] The legislature finds that a system of improved highways between regional centers in greater Minnesota and the Twin Cities metropolitan area is needed to promote economic development and to enhance commercial access, personal

mobility, and traffic safety in Minnesota. It is therefore in the public interest to provide financing methods that accelerate construction of trunk highways linking regional centers in greater Minnesota with the Twin Cities metropolitan area.

Subd. 2. [STUDY.] The commissioner of transportation shall study and report to the governor and legislature the feasibility and desirability of establishing a comprehensive system of multilane divided highways connecting all regional centers with the Twin Cities metropolitan area. The study must include:

(1) existing highways on corridors between regional centers and the metropolitan area;

(2) improvements to bring all highways in these corridors to expressway standards;

(3) the cost of these improvements;

(4) the role of these improvements in the department of transportation's trunk highway programming priorities; and

(5) a schedule for completing these improvements.

The commissioner shall complete the study and submit the report not later than January 15, 1992.

Sec. 3. [3.862] [TRANSPORTATION STUDY BOARD.]

Subdivision 1. [BOARD EXTENDED; MEMBERSHIP.] The transportation study board created under Laws 1988, chapter 603, section 6, is hereby extended. The board shall consist of the following members:

(1) five members of the senate, with not more than three of the same political party, appointed by the senate committee on committees; and

(2) five members of the house of representatives, with not more than three of the same political party, appointed by the speaker of the house. Appointments are for two-year terms beginning July 1 of each odd-numbered year. Vacancies must be filled in the same manner as the original appointments.

Subd. 2. [OFFICERS.] The board shall elect a chair and vice-chair from among its members. The chair must alternate biennially between a member of the house and a member of the senate. The vice-chair must be a house member when the chair is a senate member, and a senate member when the chair is a house member.

Subd. 3. [STAFF.] The board may employ professional, technical, consulting, and clerical services. The board may use legislative staff to provide legal counsel, research, secretarial, and clerical assistance.

Subd. 4. [EXPENSES AND REIMBURSEMENT.] The members of the board may receive per diem when attending meetings and other commission business. Members, employees, and legislative staff must be reimbursed for expenses actually and necessarily incurred in the performance of their duties under the rules governing legislators and legislative employees.

Subd. 5. [REPEALER.] This section is repealed, effective June 30, 1993.

Sec. 4. [3.863] [DUTIES.]

The transportation study board shall perform the following duties:

(1) review and participate with the house and senate transportation committees in developing recommendations for state transportation policies;

(2) monitor state transportation programs, expenditures, and activities;

(3) review and participate in the coordination of legislative initiatives that affect state and local transportation agencies; and

(4) propose special studies to the legislature and conduct studies at the direction of the legislature.

Sec. 5. [3.864] [SPECIAL STUDIES.]

Subdivision 1. [STUDIES.] The board shall conduct the studies in subdivisions 2 to 7 by January 1, 1993. The board may request the commissioner of transportation to conduct any of the studies and report to the board and the legislature.

Subd. 2. [HIGHWAY PLANNING PROCESS.] The board shall review the department of transportation's policies and procedures for identifying, evaluating, prioritizing, and implementing trunk highway development projects. The board shall not propose, identify, or otherwise select any specific project or category of projects. The board shall report to the legislature and the commissioner of transportation on the results of the study with recommendations:

(1) to the commissioner of transportation with respect to changes in the department's policies and procedures; and

(2) to the legislature with respect to changes in law governing those policies and procedures.

Subd. 3. [HIGHWAY JURISDICTION.] The board shall conduct a study of the functional classification of all streets and highways in Minnesota. The study shall include:

(1) development of a state jurisdiction plan, which must include:

(i) criteria for determining the functional class of each street and highway in the state;

(ii) identification of the appropriate jurisdiction of each street and highway, based on functional class; and

(iii) criteria for determining when jurisdiction should be based on factors other than functional class;

(2) recommendations for implementing the jurisdiction plan; and

(3) recommendations for changes in law to facilitate future jurisdiction transfers.

The board shall report to the legislature and the commissioner of transportation on the results of the study.

Subd. 4. [LIGHT RAIL TRANSIT.] The board shall review and report to the legislature on any preliminary engineering plans for light rail transit adopted by the commissioner of transportation under article 7.

Subd. 5. [STATE-AID DISTRIBUTION.] The board shall study all unresolved issues relating to distribution of the county state-aid highway fund and the municipal state-aid street fund. These issues may include, but need not be limited to:

(1) formulas for distributing money in these funds;

(2) methods of measuring and quantifying factors used in those formulas;

(3) the role of screening boards in this distribution;

(4) methods of mitigating reductions in state aid that might result to one or more counties from various changes in state aid formulas and distribution procedures; and

(5) appropriate levels of state participation in the cost of con-

structing and maintaining county state-aid highways and municipal state-aid streets.

Subd. 6. [LOCAL PARTICIPATION IN TRUNK HIGHWAY PROJECTS.] The board shall study the appropriate role of local units of government in assisting in the cost of projects to construct or reconstruct trunk highways. The study must include a recommendation of guidelines to govern the extent of that participation and the types of projects for which participation is feasible and desirable.

Subd. 7. [INCREASED USE OF HIGH-OCCUPANCY VEHICLES.] The board shall study the feasibility and desirability of increasing incentives for the use of high-occupancy vehicles such as carpools, vanpools, and transit. The board shall study and evaluate, among other things, each of the following incentives:

- (1) tax incentives to employees;
- (2) tax incentives and other incentives to employers;
- (3) parking charges designed to discourage single-occupant vehicles and promote high-occupancy vehicles;
- (4) road pricing on freeways and other commuting routes;
- (5) staggered work hours;
- (6) expanded availability and reduced cost of regular-route transit; and
- (7) increased use of demand-responsive transit to meet the needs of persons otherwise automobile dependent.

Subd. 8. [LOCAL FINANCE STUDY.] The board shall study and report to the legislature by February 15, 1992, the use and effect of methods other than property tax revenues to finance local transportation improvements, including impact fees, transportation utility fees, and similar methods.

ARTICLE 8

METROPOLITAN TRANSIT SERVICE

Section 1. Minnesota Statutes 1990, section 473.375, subdivision 15, is amended to read:

Subd. 15. [PERFORMANCE STANDARDS.] The board may establish performance standards for recipients of financial assistance,

except that performance standards for recipients of financial assistance under section 473.388 shall be established after consultation with such recipients.

Sec. 2. Minnesota Statutes 1990, section 473.377, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] The transit board shall prepare, submit to the council, and adopt an implementation plan as provided in section 473.161. The services and systems management component of the board's plan must include a description of the special transportation service provided under section 473.386. The board shall prepare an implementation plan meeting the requirements of this section and submit the plan to the council by August 1, 1986, and thereafter at a time prescribed by the council. The components of the implementation plan that are applicable to recipients of financial assistance under section 473.388 shall be prepared after consultation with such recipients.

Sec. 3. Minnesota Statutes 1990, section 473.388, is amended to read:

473.388 [~~REPLACEMENT~~ OPT-OUT TRANSIT SERVICE PROGRAM.]

Subdivision 1. [PROGRAM ESTABLISHED.] ~~A replacement~~ An opt-out transit service program is established to continue the metropolitan transit service demonstration program established in Minnesota Statutes 1982, section 174.265, as provided in this section.

Subd. 2. [~~REPLACEMENT~~ OPT-OUT TRANSIT SERVICE; ELIGIBILITY.] The transit board ~~may~~ shall provide assistance under the program to a statutory or home rule charter city or town or combination thereof, that:

(a) is located in the metropolitan transit taxing district;

(b) is not served by the transit commission or is served only with transit commission bus routes which begin or end within the applying city or town or combination thereof; and

(c) has fewer than four scheduled runs of metropolitan transit commission bus service during off-peak hours defined in section 473.408, subdivision 1.

Eligible cities or towns or combinations thereof may apply on behalf of a transit operator with whom they propose to contract for service.

The board may not provide assistance under this section to a statutory or home rule charter city or town unless the city or town,

(i) was receiving assistance under Minnesota Statutes 1982, section 174.265 by July 1, 1984,

(ii) had submitted an application for assistance under that section by July 1, 1984, or

(iii) had submitted a letter of intent to apply for assistance under that section by July 1, 1984, and submits an application for assistance under this section by July 1, 1988. A statutory or home rule charter city or town has an additional 12-month extension if it has notified the board before July 1, 1988, that the city or town is in the process of completing a transportation evaluation study that includes an assessment of the local transit needs of the city or town.

Subd. 3. [APPLICATION FOR ASSISTANCE.] An application for assistance under this section must:

(a) describe the existing service provided to the applicant by the transit commission, including the estimated number of passengers carried and the routes, schedules, and fares;

(b) describe the transit service proposed for funding under the demonstration program, including the anticipated number of passengers and the routes, schedules, and fares; and

(c) indicate the total amount of available local transit funds, the portion of the available local transit funds proposed to be used to subsidize ~~replacement~~ opt-out services, and the amount of assistance requested for the ~~replacement~~ opt-out services.

Subd. 4. [FINANCIAL ASSISTANCE.] The board ~~may~~ shall grant the requested financial assistance if it determines that the proposed service is ~~consistent with the approved implementation plan and is intended to replace or increase the service to the applying city or town or combination thereof by the transit commission and that the proposed service will meet the needs of the applicant at least as efficiently and effectively as the existing service, if any, and that the assistance will be used for transit-related purposes.~~

The amount of assistance which the board ~~may~~ shall provide under this section ~~may not exceed the sum of:~~

(a) is the portion of the available local transit funds which the applicant proposes to use to subsidize the costs of the proposed service; and, including, but not limited to, costs of operations, personnel, administration, equipment, and property.

(b) an amount of financial assistance bearing an identical proportional relationship to the amount under clause (a) as the total amount of financial assistance to the transit commission bears to the total amount of taxes collected by the board under section 473.446. The board shall pay the amount to be provided to the recipient from the assistance the board would otherwise pay to the transit commission.

The board shall also provide an amount equal to one-sixth of the cost of the proposed service, recalculated annually, for the purpose of budget reserve. The budget reserve to be retained by recipients of financial assistance under this section may not exceed one-sixth of the current year cost of providing service. A budget reserve may not be budgeted or retained by a recipient under this section during any budget year in which the cost of providing service by that recipient equals or exceeds the total amount of available local transit funds.

The board shall disburse assistance to the recipient in advance, by monthly payments on or before the first day of each month of the year for which assistance is requested by the recipient.

Assistance provided by the board to the recipient must be spent for transit-related purposes. Assistance that is not spent in the budget year in which it is provided must be deposited with the board, who will place emphasis on the expenditure of these funds for suburban transit service.

For purposes of this section "available local transit funds" means 90 percent of the tax revenues which would accrue to the board from the tax it levies certified tax levy under section 473.446 in the applicant city or town or combination thereof, including the revenues which would accrue from the homestead and agricultural credit aid and disparity reduction aid.

Subd. 5. [OTHER ASSISTANCE.] A city or town receiving assistance under this section may also receive assistance from the board under section 473.384. In applying for assistance under that section an applicant must describe the portion of the available local transit funds which are not obligated to subsidize replacement service and which the applicant proposes to use to subsidize additional service. An applicant which has exhausted its available local transit funds may use any other local subsidy funds to complete the required local share.

Subd. 6. [ASSUMPTION OF PROGRAM.] The board shall certify to the commissioner of transportation when it has adopted an approved interim implementation plan and is ready to assume responsibility for the metropolitan transit service demonstration program administered by the commissioner under Minnesota Statutes 1982, section 174.265. On receipt of the certification the commissioner shall make no further contracts under that program

and shall assign all contracts then in effect under that program to the board, and the contracts at that time become obligations of the board.

Subd. 7. [BUDGET.] A recipient of assistance under this section shall prepare an annual budget and, after holding a public hearing on the budget, shall submit the budget to the board for review. The board shall review and comment on the consistency of the budget with its implementation plan.

Sec. 4. [STUDIES REQUIRED.]

(a) The metropolitan council, in consultation with the board and after consultation with participants in the opt-out transit service program, must conduct a study of the costs of planning, administering and managing transit services in the metropolitan area, including the costs of coordinating and integrating services provided by different transit operators or authorities. The council, in consultation with the board, must direct its staff to examine whether the percentage of property tax revenues raised in communities participating in the program under Minnesota Statutes, section 473.388, which accrues to the board from the tax it levies under Minnesota Statutes, section 473.446, is adequate to finance those communities' prorated share of these costs. The council, in consultation with the board, must make a recommendation to the legislature on the appropriate percentage of property tax revenues to be used to finance these costs.

(b) The council, in consultation with the board and after consultation with participants in the opt-out transit service program, must conduct a study of the interaction between the funding mechanisms of the program under Minnesota Statutes, section 473.388, and the reductions of levied taxes made pursuant to Minnesota Statutes, section 473.446, subdivision 1. The council, in consultation with the board, must direct its staff to study the interaction of these provisions, including the effect of the interaction on the financing of transit services in the metropolitan area.

(c) The council must report to the legislature on the results of these studies on or before February 15, 1992.

Sec. 5. [APPLICATION.]

Sections 1 to 4 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

ARTICLE 9

FUEL TAX AGREEMENTS

Section 1. Minnesota Statutes 1990, section 168.187, subdivision 17, is amended to read:

Subd. 17. [TRIP PERMITS.] ~~The commission may,~~ Subject to agreements or arrangements made or entered into pursuant to subdivision 7, the commissioner may issue trip permits for use of Minnesota highways by individual vehicles, on an occasional basis, for periods not to exceed 120 hours in compliance with rules promulgated pursuant to subdivision 23 and upon payment of a fee of \$15.

Sec. 2. Minnesota Statutes 1990, section 168.187, subdivision 26, is amended to read:

Subd. 26. [DELINQUENT FILING OR PAYMENT.] If a fleet owner licensed under this section and section ~~296.17~~ 296.171, subdivision ~~9a~~ 6, is delinquent in either ~~the filing or payment of paying~~ the international fuel tax agreement reports for more than 30 days, or ~~the payment of paying~~ the international registration plan billing for more than 30 days, the fleet owner, after ten days' written notice, is subject to suspension of the apportioned license plates and the international fuel tax agreement license.

Sec. 3. [296.171] [FUEL TAX COMPACTS.]

Subdivision 1. [AUTHORITY.] The commissioner of public safety has the powers granted to the commissioner of revenue under section 296.17. The commissioner of public safety may enter into an agreement or arrangement with the duly authorized representative of another state or make an independent declaration, granting to owners of vehicles properly registered or licensed in another state, benefits, privileges, and exemptions from paying, wholly or partially, fuel taxes, fees, or other charges imposed for operating the vehicles under the laws of Minnesota. The agreement, arrangement, or declaration may impose terms and conditions not inconsistent with Minnesota laws.

Subd. 2. [RECIPROCAL PRIVILEGES AND TREATMENT.] An agreement or arrangement must be in writing and provide that when a vehicle properly licensed for fuel in Minnesota is operated on highways of the other state, it must receive exemptions, benefits, and privileges of a similar kind or to a similar degree as are extended to a vehicle properly licensed for fuel in that state, when operated in Minnesota. A declaration must be in writing and must contemplate and provide for mutual benefits, reciprocal privileges, or equitable treatment of the owner of a vehicle registered for fuel in Minnesota and the other state. In the judgment of the commissioner

of public safety, an agreement, arrangement, or declaration must be in the best interest of Minnesota and its citizens and must be fair and equitable regarding the benefits that the agreement brings to the economy of Minnesota.

Subd. 3. [COMPLIANCE WITH MINNESOTA LAWS.] Agreements, arrangements, and declarations made under authority of this section must contain a provision specifying that no fuel license, or exemption issued or accruing under the license, excuses the operator or owner of a vehicle from compliance with Minnesota laws.

Subd. 4. [EXCHANGES OF INFORMATION.] The commissioner of public safety may make arrangements or agreements with other states to exchange information for audit and enforcement activities in connection with fuel tax licensing. The filing of fuel tax returns under this section is subject to the rights, terms, and conditions granted or contained in the applicable agreement or arrangement made by the commissioner under the authority of this section.

Subd. 5. [BASE STATE FUEL COMPACT.] The commissioner of public safety may ratify and effectuate the international fuel tax agreement or other fuel tax agreement. The commissioner's authority includes, but is not limited to, collecting fuel taxes due, issuing fuel licenses, issuing refunds, conducting audits, assessing penalties and interest, issuing fuel trip permits, issuing decals, and suspending or denying licensing.

Subd. 6. [MINNESOTA-BASED INTERSTATE CARRIERS.] Notwithstanding the exemption contained in section 296.17, subdivision 9, as the commissioner of public safety enters into interstate fuel tax compacts requiring base state licensing and filing and eliminating filing in the nonresident compact states, the Minnesota-based motor vehicles registered under section 168.187 will be required to license under the fuel tax compact in Minnesota.

Subd. 7. [DELINQUENT FILING OR PAYMENT.] If a fleet owner licensed under this section is delinquent in either filing or paying the international fuel tax agreement reports for more than 30 days, or paying the international registration plan billing under section 168.187 for more than 30 days, the fleet owner, after ten days' written notice, is subject to suspension of the apportioned license plates and the international fuel tax agreement license.

Subd. 8. [TRANSFERRING FUNDS TO PAY DELINQUENT FEES.] If a fleet owner licensed under this section is delinquent in either filing or paying the international fuel tax agreement reports for more than 30 days, or paying the international registration plan billing under section 168.187 for more than 30 days, the commissioner may authorize any credit in either the international fuel tax agreement account or the international registration plan account to

be used to offset the liability in either the international registration plan account or the international fuel tax agreement account.

Subd. 9. [FUEL COMPACT FEES.] License fees paid to the commissioner of public safety under the international fuel tax agreement must be deposited in the trunk highway fund. The commissioner shall charge the fuel license fee of \$30 established under section 296.17, subdivision 10, in annual installments of \$15 and an annual application filing fee of \$13 for quarterly reporting of fuel tax.

Subd. 10. [FUEL DECAL FEES.] The commissioner of public safety may issue and require the display of a decal or other identification to show compliance with subdivision 5. The commissioner may charge a fee to cover the cost of issuing the decal or other identification. Decal fees paid to the commissioner under this subdivision must be deposited in the trunk highway fund.

Sec. 4. [REPEALER.]

Minnesota Statutes 1990, section 296.17, subdivision 9a, is repealed."

Delete the title and insert:

"A bill for an act relating to transportation; establishing state transportation goals and requiring periodic revisions of the state transportation plan; providing for enforcement of law requiring stops at railroad grade crossings; providing for enhanced public information and education regarding grade crossing safety; directing a study of rail-highway grade crossings and requiring a report; authorizing the commissioner of transportation to make grants for the improvement of commercial navigation facilities; authorizing local units of government to advance funds for the completion of trunk highway projects; providing for rustic roads and natural preservation routes; authorizing variance from rules governing certain cargo tanks; directing commissioner of transportation to seek federal funds for bicycle facilities; creating a transportation services fund and providing for its uses; specifying percentage of unrefunded motor fuel tax revenue that is attributable to use on forest roads; providing for light rail transit; requiring the commissioner of transportation to include light rail transit facilities in the design for reconstruction of I-94 and I-35W; directing a study of highway corridors; extending and reconstituting the transportation study board and directing it to conduct certain studies; providing procedures related to assistance for transit systems; providing for the opt-out transit service program; providing for fuel tax agreements; providing for fees; appropriating money; amending Minnesota Statutes 1990, sections 103G.301, by adding a subdivision; 162.02, subdivision 3a; 162.09, subdivision 3a; 168.187, subdivisions

17 and 26; 169.26; 171.13, subdivision 1, and by adding a subdivision; 174.01; 174.03, subdivision 2, and by adding a subdivision; 219.074, by adding a subdivision; 219.402; 221.033, by adding a subdivision; 296.16, subdivision 1a; 296.421, subdivision 8; 299D.03, subdivision 5; 473.373, subdivision 4a; 473.375, subdivision 15; 473.377, subdivision 1; 473.388; 473.399; 473.3991, subdivision 1, and by adding a subdivision; 473.3993, subdivisions 2, 3, and by adding a subdivision; 473.3994; and 473.3996; proposing coding for new law in Minnesota Statutes, chapters 3; 160; 161; 162; 174; 219; 296; and 473; proposing coding for new law as Minnesota Statutes, chapter 457A; repealing Minnesota Statutes 1990, section 296.17, subdivision 9a.”

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. 1655, A bill for an act relating to taxation; authorizing the department of trade and economic development to issue obligations to finance construction of aircraft maintenance and repair facilities; authorizing the metropolitan airports commission to operate outside the metropolitan area; amending Minnesota Statutes 1990, sections 360.013, subdivision 5; 360.032, subdivision 1; 360.038, subdivision 4; 473.608, subdivision 1; and 473.667, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 473; proposing coding for new law as Minnesota Statutes, chapter 116R.

Reported the same back with the following amendments:

Page 1, after line 27, insert:

“Subd. 5. [PROJECT.] “Project” means the facilities or any property described in section 5, subdivisions 5 or 6, as applicable.

Subd. 6. [RELATED PERSON.] “Related person” means any guarantor of the obligations of the lessee under the lease of a project and any other person whose relation to the lessee or the guarantor is that of a related person as defined in section 147 (a)(2) of the Internal Revenue Code of 1986, as amended through December 31, 1990, and whose financial condition the commissioner determines to be material for the purposes of carrying out the due diligence duties under section 2.

Subd. 7. [STATE GUARANTEED BONDS.] “State guaranteed

bonds” means all outstanding bonds secured as provided in section 2, subdivision 4, paragraph (a).”

Page 2, line 11, delete “facilities” and insert “projects”

Page 3, line 6, delete “as” and insert “at”

Page 3, delete lines 8 and 9

Page 3, line 12, delete “facilities” and insert “projects”

Page 3, line 14, after “lessee” insert “or lessees”

Page 3, line 15, delete “facilities” and insert “project or projects” and delete everything after “any”

Page 3, delete line 16 and insert “related person.”

Page 3, line 18, delete “a” and insert “an independent,”

Page 3, line 20, delete “, and” and insert “or lessees and any related person.”

Page 3, delete line 21

Page 3, line 22, delete everything before “lessee” and insert “The commissioner shall select a different consultant for this purpose than any engaged by the airports commission for this purpose under article 2. The consultant may not be under contract or employed to provide professional services to the commissioner or the commission on the bonds or any other element of the transaction. A”

Page 3, delete line 23, and insert “related person”

Page 3, delete lines 28 to 36

Page 4, delete lines 1 to 3

Reletter the paragraphs in sequence

Page 4, line 4, delete “the”

Page 4, delete lines 5 to 8

Page 4, line 9, delete everything before the period and insert “business plans, financial statements, customer lists, and market and feasibility studies required under sections 1 to 15 or submitted in connection with the provision of financial assistance or any”

agreement authorized under this act are nonpublic data, as defined in section 13.02, subdivision 9"

Page 4, line 17, delete "facilities" and insert "projects"

Page 4, line 22, after "state" insert ", metropolitan,"

Page 4, line 28, delete "its"

Page 4, line 29, delete "affiliates" and insert "any related person"

Page 4, line 33, delete the first "the" and insert "each" and delete "facilities" and insert "project or projects" and delete "corporations"

Page 4, line 34, delete everything before the semicolon and insert "related person"

Page 5, line 1, after "lessee" insert "or lessees"

Page 5, line 4, after "lessee" insert "or lessees"

Page 5, line 35, delete "At" and before "request" insert "commissioner may" and delete "of the commissioner,"

Page 5, delete line 36

Page 6, delete line 1

Page 6, line 2, delete "credit, and taxing power"

Page 6, line 6, after the period insert "At the request of the commissioner, St. Louis county shall, by resolution of its county board, unconditionally and irrevocably pledge as a general obligation, its full faith, credit, and taxing power to pay or secure payment of principal and interest due on the principal amount or amounts requested by the commissioner."

Page 6, after line 15, insert:

"(c) The commissioner may request the city of Duluth to pay or secure payment of principal and interest due on up to \$47,600,000 principal amount of revenue bonds for the facility described in subdivision 5. At the request of the commissioner, the city of Duluth shall pledge specified revenues of the city to pay principal and interest due on the principal amount requested by the commissioner."

Page 6, line 16, delete "(c)" and insert "(d)"

Page 7, line 7, after "entering" insert "into"

Page 7, line 8, after "lessee" insert "or other party"

Page 7, line 34, delete "facilities" and insert "projects"

Page 8, line 2, after "respecting" insert ": (1) aircraft noise abatement; and (2)"

Page 8, line 22, delete "facilities" and insert "projects"

Page 8, line 25, delete "facilities" and insert "projects"

Page 8, line 26, after "state" insert ", metropolitan,"

Page 8, line 27, after "state" insert ", metropolitan,"

Page 11, line 9, delete "issued"

Page 11, line 10, delete "under this section"

Page 11, line 16, delete "Interest on"

Page 11, line 17, delete "authorized by this section"

Page 12, line 12, after "appropriated" insert "for that purpose"

Page 12, line 16, delete "facility" and insert "project"

Page 12, delete lines 23 and 24

Page 12, line 25, delete "(7)" and insert "(6)"

Page 12, line 26, delete "and"

Page 12, line 27, delete "(8)" and insert "(7)"

Page 12, line 29, delete the period and insert ", and"

Page 12, after line 29, insert:

"(8) investment income on any of the sources specified in clauses (1) to (7)."

Page 12, line 34, delete the comma

Page 13, line 12, after "bonds," insert "and may grant different priorities in the lien for different series of bonds,"

Page 15, line 5, delete "issued under sections 1 to 15,"

Page 15, line 20, delete "facilities" and insert "projects"

Page 15, line 26, delete "facility" and insert "project"

Page 18, line 12, after the first "the" insert "deficiency" and delete "not required for payment of" and insert "may be used to pay"

Page 18, line 13, after the first "the" insert "deficiency" and after "bonds" insert "and any remaining proceeds"

Page 18, line 15, after the period insert "The proceeds of the deficiency bonds are appropriated for these purposes."

Page 19, line 9, delete "or programs"

Page 19, delete lines 21 to 36

Page 20, delete lines 1 to 18

Page 21, line 25, after "exercise" insert "any"

Page 22, line 33, after "otherwise" insert "arranging for"

Page 23, line 11, after "retention" insert ", safe operation,"

Page 23, line 23, delete "and" and insert ", (d), or" and after "(g)" insert "and the proceeds must be applied in a manner consistent with this authority"

Page 26, line 16, delete the comma

Page 26, delete line 17

Page 26, line 18, delete "account,"

Page 27, line 30, delete everything after "lease" and insert a semicolon

Page 27, after line 30, insert:

"(3) aircraft noise abatement; and"

Page 27, line 31, delete "(3)" and insert "(4)"

Page 29, line 26, before "Before" insert "(a)"

Page 29, line 28, delete "and the commissioner of finance"

Page 30, line 6, delete the second “a” and insert “an independent,”

Page 30, line 9, after “corporations” insert “selected by the commission and”

Page 30, after line 22, insert:

“The commission shall select a different consultant for the purpose of clause (2) than any engaged by the commissioner of finance for this purpose under article 1. The consultant may not be under contract or employed to provide professional services to the commission or the commissioner on the bonds or any other element of the transaction.

(b) Business plans, financial statements, customer lists, and market and feasibility studies provided to the consultant or the commission by the airline company or a related company under paragraph (a) of this subdivision, are nonpublic data as defined in section 13.02, subdivision 9.”

Page 30, line 27, delete “constructing” and insert “acquisition and betterment of”

Page 30, line 33, delete “, including any debt”

Page 30, line 34, delete everything before “is”

Page 31, delete lines 24 to 29

Page 31, line 30, delete “6” and insert “5”

Page 31, line 32, delete everything after “issued”

Page 31, line 33, delete everything before the period and insert “to finance a facility or facilities for which the lease agreement was entered into before December 31, 1991”

Page 31, after line 35, insert:

“ARTICLE 3

INTERGOVERNMENTAL COORDINATION

Section 1. [INTERAGENCY TASK FORCE.]

Subdivision 1. [PURPOSE.] There is established an interagency task force to coordinate the financial transactions authorized by this act, including bonds, financial assistance, and loan, lease, and other revenue agreements. The task force consists of the commissioners of

finance, trade and economic development, and revenue and the chair of the metropolitan airports commission. The mayors of the cities of Duluth and Hibbing and the chair of the St. Louis county board and the commissioner of the iron range resources and rehabilitation board are members of the task force for purposes of financial transactions related to projects described in article 1, section 2, subdivisions 5 and 6. The commissioner of finance is the chair of the task force. To complete its work, the task force shall use staff and consultant services made available by the governmental units and agencies represented on the task force.

Subd. 2. [DUTIES.] The task force shall coordinate the negotiation of financial transactions under this act by the governmental agencies and units represented on the task force. The task force shall advise and make recommendations to the responsible public agencies and units on the following matters:

- (1) the financial assistance to be provided;
- (2) financial commitments by state, metropolitan, and local agencies, including any arrangements related to state, metropolitan, and local debt, taxes, financing, and debt service;
- (3) loan, lease, or other revenue agreements;
- (4) the financial commitments of lessees of projects financed or refinanced with financial assistance under this act, and any related persons, and the estimates of business and financial conditions, economic activity, air traffic, and other factors that have been used in assessing the capability of the lessees and any related persons to meet their financial commitments.

Sec. 2. [STATE AND METROPOLITAN BONDS; REVIEW AND APPROVAL.]

The metropolitan airports commission may not issue bonds authorized by this act without the approval of the commissioner of finance. The commissioner of finance may not issue bonds authorized by this act without the approval of the metropolitan airports commission.”

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.

Long from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 1693, 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 1990, section 302A.461, subdivision 2, as amended.

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

The report was adopted.

Long from the Committee on Rules and Legislative Administration to which was referred:

S. F. No. 1571, A bill for an act relating to the legislature; changing the boundaries of legislative districts; amending Minnesota Statutes 1990, section 2.031, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 2; repealing Minnesota Statutes 1990, sections 2.019; and 2.042 to 2.702.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 723, 1655 and 1693 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 300, 371, 432, 559, 565, 720, 1474 and 1571 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. 571, A bill for an act relating to retirement; Minneapolis municipal employees; making various changes reflecting benefits, administration, and investment practices of the Minneapolis employees retirement fund; amending Minnesota Statutes 1990, sections 11A.24, subdivision 1; 356.71; 422A.03, subdivision 1; 422A.05, subdivision 2c; 422A.09, subdivision 3; 422A.13, subdivision 2; and 422A.16, subdivisions 1 and 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 628, A bill for an act relating to traffic regulations; increasing the fine for violating seat belt requirements; reallocating fine receipts; amending Minnesota Statutes 1990, section 169.686, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 169.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1286, A bill for an act relating to the secretary of state; changing certain fees, deadlines, and procedures; providing for supplemental filing and information services; providing for removal of documents from the public record; clarifying certain language; amending Minnesota Statutes 1990, sections 5.03; 5.16, subdivision 5; 302A.821, subdivisions 3, 4, and 5; 303.07, subdivision 2; 303.08; 303.13, subdivision 1; 303.17, subdivision 1; 308A.131, subdivision 1; 308A.801, subdivision 6; 317A.821, subdivision 2; 317A.823; 317A.827, subdivision 1; and 331A.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 5.

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. 551, A bill for an act relating to drivers' licenses; extending waiting period for person to receive limited driver's license who has been convicted of certain crimes; providing a penalty; amending Minnesota Statutes 1990, sections 171.17; and 171.30, subdivisions 2, 4, and by adding a subdivision.

The Senate has appointed as such committee:

Mr. Finn; Ms. Ranum; Messrs. Marty, Neuville 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. 1197, A bill for an act relating to commerce; franchises; regulating assignments, transfers, and sales; amending Minnesota Statutes 1990, section 80C.14, subdivision 5, and by adding a subdivision.

The Senate has appointed as such committee:

Messrs. Luther, Hottinger and Day.

Said House File is herewith returned to the House.

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. 551:

The name of Mr. McGowan has been stricken, and the name of Mr. Laidig has been added.

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. 875, A bill for an act relating to insurance; rental vehicles; increasing property damage liability coverage; amending Minnesota Statutes 1990, section 65B.49, subdivision 5a.

PATRICK E. FLAHAVERN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Farrell moved that the House concur in the Senate amendments to H. F. No. 875 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 875, A bill for an act relating to insurance; modifying provisions relating to agency termination procedures; rental vehicles; increasing property damage liability coverage; providing for the adjustment or settlement of an automobile loss due to damaged window glass; amending Minnesota Statutes 1990, sections 60A.176, subdivision 3; 60A.177, subdivisions 2, 4, 5, and by adding a subdivision; 65B.49, subdivision 5a; and 72A.201, subdivision 6; repealing Minnesota Statutes 1990, section 60A.176, subdivision 2.

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

The question was taken on the repassage of the bill and the roll was called. There were 127 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Abrams	Dauner	Henry	Lasley	O'Connor
Anderson, I.	Dawkins	Hufnagle	Leppik	Olsen, S.
Anderson, R.	Dempsey	Hugoson	Lieder	Olson, E.
Anderson, R. H.	Dille	Jacobs	Limmer	Olson, K.
Battaglia	Dorn	Janezich	Long	Omann
Bauerly	Erhardt	Jaros	Lourey	Orenstein
Beard	Farrell	Jefferson	Lynch	Orfield
Begich	Frederick	Jennings	Macklin	Osthoff
Bertram	Garcia	Johnson, A.	Mariani	Ostrom
Bettermann	Goodno	Johnson, R.	Marsh	Ozment
Bishop	Greenfield	Johnson, V.	McEachern	Pauly
Blatz	Gruenes	Kahn	McGuire	Pellow
Bodahl	Gutknecht	Kalis	McPherson	Pelowski
Boo	Hanson	Kelso	Milbert	Peterson
Brown	Hartle	Kinkel	Morrison	Pugh
Carlson	Hasskamp	Knickerbocker	Munger	Reding
Carruthers	Haukoos	Koppendrayner	Murphy	Rest
Clark	Hausman	Krinkie	Nelson, S.	Rice
Cooper	Heir	Krueger	Newinski	Rodosovich

Rukavina	Segal	Steensma	Valento	Welle
Runbeck	Simoneau	Sviggum	Vellenga	Wenzel
Sarna	Skoglund	Swenson	Wagenius	Winter
Schafer	Smith	Thompson	Waltman	Spk. Vanasek
Scheid	Solberg	Trimble	Weaver	
Schreiber	Sparby	Tunheim	Wejzman	
Seaberg	Stanius	Uphus	Welker	

Those who voted in the negative were:

Dauids	Frerichs	Girard	Onnen
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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. 961, A bill for an act relating to agriculture; appropriating money for the farmer-lender mediation program.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Nelson, S., moved that the House concur in the Senate amendments to H. F. No. 961 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 961, A bill for an act relating to agriculture; extending the agricultural data collection task force and the farmer-lender mediation act; appropriating money; amending Laws 1985, chapter 19, section 6, subdivision 6, as amended; and Laws 1986, chapter 398, article 1, section 18, as amended.

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	Begich	Carlson	Dempsey	Garcia
Anderson, I.	Bertram	Carruthers	Dille	Girard
Anderson, R.	Bettermann	Clark	Dorn	Goodno
Anderson, R. H.	Bishop	Cooper	Erhardt	Greenfield
Battaglia	Blatz	Dauner	Farrell	Gruenes
Bauerly	Bodahl	Davids	Frederick	Gutknecht
Beard	Brown	Dawkins	Frerichs	Hanson

Hartle	Knickerbocker	Murphy	Reding	Swenson
Hasskamp	Koppendrayner	Nelson, K.	Rest	Thompson
Haukoos	Krinkie	Nelson, S.	Rice	Tompkins
Hausman	Krueger	Newinski	Rodosovich	Trimble
Heir	Lasley	O'Connor	Rukavina	Tunheim
Henry	Leppik	Olsen, S.	Runbeck	Uphus
Hufnagle	Lieder	Olson, E.	Sarna	Valento
Hugoson	Limmer	Olson, K.	Schafer	Vellenga
Jacobs	Long	Omman	Scheid	Wagenius
Janezich	Lourey	Onnen	Schreiber	Waltman
Jaros	Lynch	Orenstein	Seaberg	Weaver
Jefferson	Macklin	Orfield	Segal	Wejzman
Jennings	Mariani	Osthoff	Simoneau	Welker
Johnson, A.	Marsh	Ostrom	Skoglund	Welle
Johnson, R.	McEachern	Ozment	Smith	Wenzel
Johnson, V.	McGuire	Pauly	Solberg	Winter
Kahn	McPherson	Pellow	Sparby	Spk. Vanasek
Kalis	Milbert	Pelowski	Stanius	
Kelso	Morrison	Peterson	Steensma	
Kinkel	Munger	Pugh	Sviggum	

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. 752, A bill for an act relating to education; providing for school consolidation in certain circumstances.

PATRICK E. FLAHAVERN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Tunheim moved that the House concur in the Senate amendments to H. F. No. 752 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 752, A bill for an act relating to education; providing for school consolidation in certain circumstances.

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	Anderson, R. H.	Beard	Bettermann	Bodahl
Anderson, I.	Battaglia	Begich	Bishop	Boo
Anderson, R.	Bauerly	Bertram	Blatz	Brown

Carlson	Hausman	Limmer	Orfield	Solberg
Carruthers	Heir	Long	Osthoff	Sparby
Clark	Henry	Lourey	Ostrom	Stanius
Cooper	Hufnagle	Lynch	Ozment	Steensma
Dauner	Hugoson	Macklin	Pauly	Sviggum
Davids	Jacobs	Mariani	Pellow	Swenson
Dawkins	Janezich	Marsh	Pelowski	Thompson
Dempsey	Jaros	McEachern	Peterson	Tompkins
Dille	Jefferson	McGuire	Pugh	Trimble
Dorn	Jennings	McPherson	Reding	Tunheim
Erhardt	Johnson, A.	Milbert	Rest	Uphus
Farrell	Johnson, R.	Morrison	Rice	Valento
Frederick	Johnson, V.	Munger	Rodosovich	Vellenga
Frerichs	Kahn	Murphy	Rukavina	Wagenius
Garcia	Kalis	Nelson, K.	Runbeck	Waltman
Girard	Kelso	Nelson, S.	Sarna	Weaver
Goodno	Kinkel	Newinski	Schafer	Wejcmann
Greenfield	Knickerbocker	O'Connor	Scheid	Welker
Gruenes	Koppendrayner	Olsen, S.	Schreiber	Welle
Gutknecht	Krinkie	Olson, E.	Seaberg	Wenzel
Hanson	Krueger	Olson, K.	Segal	Winter
Hartle	Lasley	Omann	Simoneau	Spk. Vanasek
Hasskamp	Leppik	Onnen	Skoglund	
Haukoos	Lieder	Orenstein	Smith	

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. 12, A bill for an act relating to insurance; regulating reinsurance and other insurance practices, investments, guaranty funds, and holding company systems; providing examination authority and reporting requirements; adopting various NAIC model acts and regulations; prescribing penalties; amending Minnesota Statutes 1990, sections 60A.02, by adding a subdivision; 60A.03, subdivision 5; 60A.031; 60A.07, subdivision 5d, and by adding a subdivision; 60A.09, subdivision 5, and by adding a subdivision; 60A.10, subdivision 2a; 60A.11, subdivisions 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 26, and by adding a subdivision; 60A.12, by adding a subdivision; 60A.13, subdivision 1; 60A.14, subdivision 1; 60A.27; 60B.25; 60B.37, subdivision 2; 60C.02, subdivision 1; 60C.03, subdivisions 6, 8, and by adding a subdivision; 60C.04; 60C.06, subdivision 1; 60C.09, subdivision 1; 60C.13, subdivision 1; 60C.14, subdivision 2; 60E.04, subdivision 7; 61A.25, subdivisions 3, 5, 6, and by adding subdivisions; 61A.28, subdivisions 1, 2, 3, 6, 8, 11, 12, and by adding a subdivision; 61A.281, by adding a subdivision; 61A.283; 61A.29; 61A.31; 62E.14, by adding a subdivision; 61B.12, by adding subdivisions; 62D.044; 62D.045, subdivision 1; 68A.01, subdivision 2; 72A.061, subdivision 1; 79.34, subdivision 1; and 609.902, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 60A, 60D, 62A, and 72A; proposing coding for new law as Minnesota Statutes, chapters 60H, 60I, and 60J;

repealing Minnesota Statutes 1990, sections 60A.076; 60A.09, subdivision 4; 60A.12, subdivision 2; 60D.01 to 60D.08; 60D.10 to 60D.13; and 61A.28, subdivisions 4 and 5.

PATRICK E. FLAHAVEN, Secretary of the Senate

Skoglund moved that the House refuse to concur in the Senate amendments to H. F. No. 12, 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. 1142, A bill for an act relating to courts; regulating the use of certain tests; permitting certain punitive damages; directing the supreme court to establish an alternative dispute resolution program and adopt rules; setting conditions for alternative dispute resolution guidelines; providing for interest on arbitration awards; allowing an arbitrator or the court to modify an award based on an error of law; providing arbitration procedures; amending Minnesota Statutes 1990, sections 169.121, subdivision 6, and by adding a subdivision; 494.015; 494.03; 549.09; 572.10; 572.15; and 572.16; proposing coding for new law in Minnesota Statutes, chapter 484; repealing Minnesota Statutes 1990, sections 484.73; 484.74; and 494.01, subdivisions 3 and 5.

PATRICK E. FLAHAVEN, Secretary of the Senate

Carruthers moved that the House refuse to concur in the Senate amendments to H. F. No. 1142, 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. 181, A bill for an act relating to the environment; adding reimbursement requirements for the petroleum tank release cleanup account; providing for insurance subrogation rights; amend-

ing Minnesota Statutes 1990, sections 115C.04, subdivision 3; 115C.09, subdivision 3; and 115C.10, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Sparby moved that the House refuse to concur in the Senate amendments to H. F. No. 181, 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. 702, A bill for an act relating to agriculture; transferring the rural finance authority to the department of agriculture; changing the makeup and certain duties and procedures of the authority; providing for an agricultural development bond program to finance agricultural business enterprises and beginning farmers; establishing a dairy upgrading program; appropriating funds; amending Minnesota Statutes 1990, sections 41B.025, subdivisions 1, 3, 5, and 6; 41B.211; 474A.02, subdivisions 13a and 23a; 474A.03, subdivision 1; 474A.061, subdivisions 1, 2b, 3, and 4; 474A.091; 474A.14; proposing coding for new law in Minnesota Statutes, chapter 41B; proposing coding for new law as Minnesota Statutes, chapter 41C.

PATRICK E. FLAHAVEN, Secretary of the Senate

Sparby moved that the House refuse to concur in the Senate amendments to H. F. No. 702, 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. 289, A bill for an act relating to insurance; accident and health; establishing minimum loss ratios for certain noncomprehensive policies; proposing coding for new law in Minnesota Statutes, chapter 62A.

PATRICK E. FLAHAVEN, Secretary of the Senate

Skoglund moved that the House refuse to concur in the Senate amendments to H. F. No. 289, 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. 887, A bill for an act relating to game and fish; setting conditions under which a hunter may take two deer; amending Minnesota Statutes 1990, section 97B.301, subdivision 4.

PATRICK E. FLAHAVEN, Secretary of the Senate

Reding moved that the House refuse to concur in the Senate amendments to H. F. No. 887, 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. 143, A bill for an act relating to appropriations; removing certain directions, limits, and provisos on the use of money for certain projects; amending Laws 1990, chapter 610, article 1, section 9, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Simoneau moved that the House refuse to concur in the Senate amendments to H. F. No. 143, 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. 765, A bill for an act relating to transportation; clarifying parking provisions for physically disabled persons; authorizing special license plates for motorcycles; authorizing tinted windshields for medical reasons; abolishing requirement to impound vehicle registration certificates; making technical changes; amending Minnesota Statutes 1990, sections 168.021, subdivision 1; 168.041; 169.123, subdivision 5b; 169.345, subdivision 1; 169.346, subdivisions 1 and 2; 169.71, subdivision 4; 169.795; and 171.29, subdivision 3.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Mr. Marty; Ms. Flynn and Mrs. Benson, J. E.

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

Lynch 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. 765. 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. 1295, A bill for an act relating to Ramsey county; creating a Ramsey county local services study commission; setting its duties.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Cohen, Kelly 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

Orenstein 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. 1295. 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. 208, A bill for an act relating to motor vehicles; providing for seven-year, in transit license plates for motor vehicle dealers; amending Minnesota Statutes 1990, sections 168.12, subdivision 1; 168.27, subdivisions 16 and 17; and 297B.035, subdivision 2.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. DeCramer, Langseth and Mehrkens.

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

Lasley 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. 208. 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. 526, A bill for an act relating to crime; sentencing; clarifying and revising the intensive community supervision program; amending Minnesota Statutes 1990, sections 244.05, subdivision 6; 244.12; 244.13; 244.14; and 244.15.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Mr. Spear, Ms. Ranum and Mr. Neuville.

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

McGuire 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. 526. 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. 351, A bill for an act relating to peace officers; guaranteeing peace officers certain rights when a formal statement is taken for disciplinary purposes; proposing coding for new law in Minnesota Statutes, chapter 626.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Pogemiller, Luther and Neuville.

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

Carruthers 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. 351. 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. 783, A bill for an act relating to health; infectious waste control; transferring responsibility for infectious waste from the pollution control agency to the department of health; clarifying that veterinarians are also covered by the act; clarifying requirements for management and generators' plans; allowing certain medical waste to be mixed with other waste under certain conditions; creating a medical waste task force; appropriating money; amending Minnesota Statutes 1990, sections 116.76, subdivision 5; 116.77; 116.78, subdivision 4; 116.79, subdivisions 1, 3, and 4; 116.80, subdivisions 2 and 3; 116.81, subdivision 1; 116.82, subdivision 3; and 116.83; repealing Minnesota Statutes 1990, sections 116.76, subdivision 2; and 116.81, subdivision 2.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Dahl, Lessard and Larson.

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

Dille moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 783. 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. 931, A bill for an act relating to waste management; requiring counties to prepare and amend solid waste management plans; requiring counties and solid waste facilities to develop and implement problem materials management plans; prohibiting issuance and renewal of certain permit if plans are not developed and implemented; amending Minnesota Statutes 1990, sections 115A.03, subdivision 24a; 115A.46, subdivisions 1 and 2; 115A.956; 115A.96, subdivision 6; 116.07, subdivisions 4j and 4k; 473.149, subdivision 1; and 473.803, subdivision 1.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Mondale, Metzen and Laidig.

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

Orfield 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. 931. The motion prevailed.

Mr. Speaker:

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

S. F. Nos. 511, 607, 716 and 1440.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 511, A bill for an act relating to natural resources; expanding the coverage and purposes of the watercraft surcharge; providing for informational materials; amending Minnesota Statutes 1990, sections 86B.415, subdivision 7; and 103G.617, subdivision 3.

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

S. F. No. 607, A bill for an act relating to highways; permitting the inclusion of certain city streets in the county state-aid street system; amending Minnesota Statutes 1990, section 162.02, subdivision 12.

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

S. F. No. 716, A bill for an act relating to domestic abuse; requiring domestic abuse petitions to state whether there is an existing order for protection; providing for verification of terms of orders; requiring notice to court with jurisdiction over a dissolution or legal separation; increasing the penalty for violation of an order for protection after a previous conviction; clarifying and conforming arrest provisions; authorizing arrests without a warrant for violation of orders for protection relating to the petitioner's place of employment; increasing the period of probation for misdemeanor domestic assaults; amending Minnesota Statutes 1990, sections 518B.01, subdivisions 4, 6, and 14; 609.135, subdivision 2; and 629.72, subdivision 2.

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

S. F. No. 1440, A bill for an act relating to motor vehicles; providing for certain indemnities in lease agreements; proposing coding for new law in Minnesota Statutes, chapter 168.

The bill was read for the first time.

Milbert moved that S. F. No. 1440 and H. F. No. 1459, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

REPORT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

Long, from the Committee on Rules and Legislative Administration, pursuant to rule 1.09, designated the following bills as Special Orders to be acted upon immediately following printed Special Orders pending for today, Friday, May 17, 1991:

H. F. Nos. 31 and 989; S. F. No. 1238; H. F. No. 1459; S. F. No. 858; H. F. No. 1072; S. F. Nos. 1179, 1129, 971, 1064, 84, 820, 449, 83 and 268; H. F. No. 1114; S. F. Nos. 109, 1216, 837, 425 and 1128; H. F. No. 1528; and S. F. No. 811.

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 633

A bill for an act relating to watercraft; regulating the use and operation of personal watercraft; amending Minnesota Statutes 1990, section 86B.005, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 86B.

May 15, 1991

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. 633, 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. 633 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 86B.005, is amended by adding a subdivision to read:

Subd. 14a. [PERSONAL WATERCRAFT.] “Personal watercraft” means a motorboat that:

(1) is powered by an inboard motor powering a water jet pump or by an outboard or propeller-driven motor; and

(2) is designed to be operated by a person or persons sitting, standing, or kneeling on the craft, rather than in the conventional manner of sitting or standing inside a motorboat.

Sec. 2. Minnesota Statutes 1990, section 86B.005, is amended by adding a subdivision to read:

Subd. 16a. [SLOW-NO WAKE.] “Slow-no wake” means operation of a watercraft at the slowest possible speed necessary to maintain steerage, but in no case greater than five miles per hour.

Sec. 3. [86B.313] [PERSONAL WATERCRAFT REGULATIONS.]

Subdivision 1. [GENERAL REQUIREMENTS.] In addition to requirements of other laws relating to watercraft, it is unlawful to operate or to permit the operation of a personal watercraft:

(1) without each person on board the personal watercraft wearing a United States Coast Guard approved Type I, II, III, or V personal flotation device;

(2) between sunset and 8:00 a.m.;

(3) within 100 feet of a shoreline, dock, swimmer, or swimming diving raft or a moored, anchored, or nonmotorized watercraft at greater than slow-no wake speed;

(4) while towing a person on water skis, a kneeboard, an inflatable craft, or any other device unless an observer is on board;

(5) without the lanyard-type engine cutoff switch being attached to the person, clothing, or personal flotation device of the operator, if the personal watercraft is equipped by the manufacturer with such a device;

(6) if any part of the spring-loaded throttle mechanism has been removed, altered, or tampered with so as to interfere with the return-to-idle system;

(7) to chase or harass wildlife;

(8) through emergent or floating vegetation at other than a slow-no wake speed;

(9) in a manner that unreasonably or unnecessarily endangers life, limb, or property, including weaving through congested watercraft traffic, jumping the wake of another watercraft within 100 feet of the other watercraft; or

(10) in any other manner that is not reasonable and prudent.

Subd. 2. [AGE OF OPERATOR.] Except in the case of an emergency, a person under the age of 13 years may not operate or be permitted to operate a personal watercraft, regardless of horsepower, unless there is a person 18 years of age or older on board the craft. It is unlawful for the owner of a personal watercraft to permit the personal watercraft to be operated contrary to this subdivision.

Subd. 3. [OPERATOR'S PERMIT.] Except in the case of an emergency, a person 13 years of age or over but less than 18 years of age may not operate a personal watercraft, regardless of horsepower, without possessing a valid watercraft operator's permit as required by section 86B.305, unless there is a person 18 years of age or older on board the craft. In addition to the permit requirement, a person 13 years of age operating a personal watercraft must maintain unaided observation by a person 18 years of age or older. It is unlawful for the owner of a personal watercraft to permit the personal watercraft to be operated contrary to this subdivision.

Subd. 4. [DEALERS AND RENTAL OPERATIONS.] (a) A dealer of personal watercraft shall distribute a summary of the laws and rules governing the operation of personal watercraft and, upon request, shall provide instruction to a purchaser regarding:

(1) the laws and rules governing personal watercraft; and

(2) the safe operation of personal watercraft.

(b) A person who offers personal watercraft for rent:

(1) shall provide a summary of the laws and rules governing the operation of personal watercraft and provide instruction regarding the laws and rules and the safe operation of personal watercraft to each person renting a personal watercraft; and

(2) shall provide a United States Coast Guard approved Type I, II, III, or V personal flotation device and any other required safety equipment to all persons who rent a personal watercraft at no additional cost.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective 30 days after final enactment, except that section 3, subdivision 4, paragraph (b), clause (1), is effective 60 days after final enactment.

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

House Conferees: ANTHONY G. "TONY" KINKEL, MARY JO MCGUIRE AND KEVIN P. GOODNO.

Senate Conferees: BOB LESSARD, HAROLD R. "SKIP" FINN AND GEN OLSON.

Kinkel moved that the report of the Conference Committee on H. F. No. 633 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 633, A bill for an act relating to watercraft; regulating the use and operation of personal watercraft; amending Minnesota Statutes 1990, section 86B.005, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 86B.

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 116 yeas and 16 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Olson, K.	Smith
Anderson, I.	Frerichs	Krueger	Orenstein	Solberg
Anderson, R. H.	Garcia	Lasley	Orfield	Sparby
Bauerly	Goodno	Leppik	Osthoff	Steensma
Beard	Greenfield	Lieder	Ostrom	Swenson
Begich	Hanson	Limmer	Ozment	Thompson
Bertram	Hartle	Long	Pauly	Tompkins
Bettermann	Hasskamp	Lourey	Pellow	Trimble
Bishop	Hausman	Lynch	Pelowski	Tunheim
Blatz	Heir	Macklin	Peterson	Uphus
Bodahl	Henry	Mariani	Pugh	Valento
Boo	Hufnagle	Marsh	Reding	Vellenga
Brown	Jacobs	McEachern	Rest	Wagenius
Carlson	Janezich	McGuire	Rice	Waltman
Carruthers	Jaros	Milbert	Rodosovich	Weaver
Clark	Jefferson	Morrison	Rukavina	Wejcman
Cooper	Jennings	Munger	Runbeck	Welle
Dauner	Johnson, A.	Murphy	Sarna	Wenzel
Dawkins	Johnson, R.	Nelson, K.	Scheid	Winter
Dempsey	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Dille	Kahn	Newinski	Seaberg	
Dorn	Kalis	O'Connor	Segal	
Erhardt	Kelso	Olsen, S.	Simoneau	
Farrell	Kinkel	Olson, E.	Skoglund	

Those who voted in the negative were:

Battaglia	Gutknecht	Krinkie	Schafer
Davids	Haukoos	McPherson	Stanius
Girard	Hugoson	Omann	Sviggum
Gruenes	Koppendraye	Onnen	Welker

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1549

A resolution memorializing the President and the Congress of the United States to take action to alleviate the crisis in the Midwest dairy industry.

May 16, 1991

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. 1549, 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: STEPHEN G. WENZEL, BERNIE OMANN AND JEFF BERTRAM.

Senate Conferees: DALLAS C. SAMS, JOE BERTRAM, SR., AND CHARLES R. DAVIS.

Wenzel moved that the report of the Conference Committee on H. F. No. 1549 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1549, A resolution memorializing the President and the Congress of the United States to take action to alleviate the crisis in the Midwest dairy industry.

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	Frerichs	Kelso	Olsen, S.	Segal
Anderson, I.	Garcia	Kinkel	Olsen, E.	Simoneau
Anderson, R. H.	Girard	Knickerbocker	Olsen, K.	Skoglund
Battaglia	Goodno	Koppendrayer	Omman	Smith
Bauerly	Greenfield	Krinkie	Onnen	Solberg
Beard	Gruenes	Lasley	Orenstein	Sparby
Begich	Gutknecht	Leppik	Orfield	Stanius
Bettermann	Hanson	Lieder	Osthoff	Steensma
Bishop	Hartle	Limmer	Ostrom	Sviggum
Blatz	Hasskamp	Long	Ozment	Swenson
Bodahl	Haukoos	Lourey	Pauly	Thompson
Boo	Hausman	Lynch	Pellow	Tompkins
Brown	Heir	Macklin	Pelowski	Trimble
Carlson	Henry	Mariani	Peterson	Tunheim
Carruthers	Hufnagle	Marsh	Pugh	Uphus
Clark	Hugoson	McEachern	Reding	Valento
Cooper	Jacobs	McGuire	Rest	Vellenga
Dauner	Janezich	McPherson	Rice	Wagenius
Davids	Jaros	Milbert	Rodosovich	Waltman
Dawkins	Jefferson	Morrison	Rukavina	Weaver
Dempsey	Jennings	Munger	Runbeck	Wejcman
Dille	Johnson, A.	Murphy	Sarna	Welker
Dorn	Johnson, R.	Nelson, K.	Schafer	Welle
Erhardt	Johnson, V.	Nelson, S.	Scheid	Wenzel
Farrell	Kahn	Newinski	Schreiber	Winter
Frederick	Kalis	O'Connor	Seaberg	Spk. Vanasek

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 809

A bill for an act relating to counties; fixing various fees for documents; amending Minnesota Statutes 1990, sections 357.18, subdivision 1; 508.82; and 508A.82.

May 14, 1991

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. 809, 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: EDGAR OLSON, BILL SCHREIBER AND MARVIN K. DAUNER.

Senate Conferees: JOHN C. HOTTINGER, BETTY A. ADKINS AND THOMAS M. NEUVILLE.

Olson, E., moved that the report of the Conference Committee on H. F. No. 809 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 809, A bill for an act relating to counties; fixing various fees for documents; amending Minnesota Statutes 1990, sections 357.18, subdivision 1; 508.82; and 508A.82.

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	Frichs	Kinkel	Olson, E.	Skoglund
Anderson, I.	Garcia	Knickerbocker	Olson, K.	Smith
Anderson, R. H.	Girard	Koppendrayner	Omann	Solberg
Battaglia	Goodno	Krinkie	Onnen	Sparby
Bauerly	Greenfield	Krueger	Orenstein	Stanius
Beard	Gruenes	Lasley	Orfield	Steensma
Begich	Gutknecht	Leppik	Osthoff	Sviggum
Bertram	Hanson	Lieder	Ostrom	Swenson
Bettermann	Hartle	Limmer	Ozment	Thompson
Bishop	Hasskamp	Long	Pauly	Tompkins
Blatz	Haukoos	Lourey	Pellow	Trimble
Bodahl	Hausman	Lynch	Pelowski	Tunheim
Boo	Heir	Macklin	Peterson	Uphus
Brown	Henry	Mariani	Pugh	Valento
Carlson	Hufnagle	Marsh	Reding	Vellenga
Carruthers	Hugoson	McEachern	Rest	Wagenius
Clark	Jacobs	McGuire	Rice	Waltman
Cooper	Janezich	McPherson	Rodosovich	Weaver
Dauner	Jaros	Milbert	Rukavina	Wejcmán
Dauids	Jefferson	Morrison	Runbeck	Welker
Dawkins	Jennings	Munger	Sarna	Welle
Dempsey	Johnson, A.	Murphy	Schafer	Wenzel
Dille	Johnson, R.	Nelson, K.	Scheid	Winter
Dorn	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Erhardt	Kahn	Newinski	Seaberg	
Farrell	Kalis	O'Connor	Segal	
Frederick	Kelso	Olsen, S.	Simoneau	

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 236

A bill for an act relating to eminent domain; allowing entry onto land for environmental testing before beginning eminent domain proceedings; amending Minnesota Statutes 1990, section 117.041.

May 15, 1991

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. 236, 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. 236 be further amended as follows:

Page 4, line 5, of the unofficial engrossment (UEH0236-1), delete "assumed" and insert "estimated"

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

House Conferees: LOREN A. SOLBERG, JEAN WAGENIUS AND ART SEABERG.

Senate Conferees: RANDY C. KELLY, WILLIAM P. LUTHER AND FRITZ KNAAK.

Solberg moved that the report of the Conference Committee on H. F. No. 236 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 236, A bill for an act relating to eminent domain; allowing entry onto land for environmental testing before beginning eminent domain proceedings; amending Minnesota Statutes 1990, section 117.041.

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	Frerichs	Knickerbocker	Olson, K.	Smith
Anderson, I.	Garcia	Koppendrayner	Omann	Solberg
Anderson, R. H.	Girard	Krinkie	Onnen	Sparby
Battaglia	Goodno	Krueger	Orenstein	Stanius
Bauerly	Greenfield	Lasley	Orfield	Steensma
Beard	Gruenes	Leppik	Osthoff	Sviggum
Begich	Gutknecht	Lieder	Ostrom	Swenson
Bertram	Hanson	Limmer	Ozment	Thompson
Bettermann	Hartle	Long	Pauly	Tompkins
Bishop	Hasskamp	Lourey	Pellow	Trimble
Blatz	Haukoos	Lynch	Pelowski	Tunheim
Bodahl	Hausman	Macklin	Peterson	Uphus
Boo	Heir	Mariani	Pugh	Valento
Brown	Henry	Marsh	Reding	Vellenga
Carlson	Hufnagle	McEachern	Rest	Wagenius
Carruthers	Hugoson	McGuire	Rice	Waltman
Clark	Jacobs	McPherson	Rodosovich	Weaver
Cooper	Janezich	Milbert	Rukavina	Wejzman
Dauner	Jaros	Morrison	Runbeck	Welker
Davids	Jefferson	Munger	Sarna	Welle
Dawkins	Jennings	Murphy	Schafer	Wenzel
Dempsey	Johnson, A.	Nelson, K.	Scheid	Winter
Dille	Johnson, R.	Nelson, S.	Schreiber	Spk. Vanasek
Dorn	Johnson, V.	Newinski	Seaberg	
Erhardt	Kalis	O'Connor	Segal	
Farrell	Kelso	Olsen, S.	Simoneau	
Frederick	Kinkel	Olson, E.	Skoglund	

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 478

A bill for an act relating to elections; changing requirement of absentee ballot applications for deer hunters; facilitating voting by certain students; defining certain terms; providing for use of certain facilities for elections; clarifying uses to be made of lists of registered voters; requiring commissioner of health to report deaths to secretary of state; authorizing facsimile applications for absentee ballots; authorizing certain experimental procedures for absentee ballots and mail balloting; requiring notarized affidavits of candidacy; providing for voting methods in combined local elections; providing order of counting gray box ballots; changing time for issuance of certificates of election; clarifying effect of changing the year of municipal elections; changing certain deadlines; authorizing an experimental school board election; changing procedures for hospital district elections; amending Minnesota Statutes 1990, sections 97A.485, subdivision 1a; 200.02, by adding a subdivision; 201.061, subdivision 3; 201.091, subdivisions 1 and 4; 201.13, subdivision 1; 203B.02, by adding a subdivision; 203B.04, subdivision 1; 204B.09, subdivision 1; 204B.16, subdivision 6, and by adding a subdivision; 204B.32; 204B.35, by adding a subdivision; 204B.45, by adding a subdivision; 204C.19, subdivision 2; 204C.40, subdivision 2; 205.07, subdivision 1, and by adding a subdivision; 205.16, subdivision 4; 205A.04; 205A.07, subdivision 3; and 447.32, subdivisions 2, 3, and 4; proposing coding for new law in Minnesota Statutes, chapters 135A and 201.

May 16, 1991

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. 478, 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. 478 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 97A.485, subdivision 1a, is amended to read:

Subd. 1a. [DEER LICENSE; ABSENTEE BALLOT APPLICATION.] The commissioner and agents shall include with every license have available for each person purchasing a license to take deer with firearms or by archery, sold or issued during a general election year, an application for an absentee ballots and a voter registration card ballot. At the time of purchase, the commissioner or the commissioner's agent shall ask whether the person purchasing the license wants an application for an absentee ballot. The commissioner shall obtain absentee ballot application forms from the secretary of state and distribute them to the commissioner's agents.

Sec. 2. [135A.16] [PROVISIONS TO FACILITATE VOTING.]

Subdivision 1. [IDENTIFICATION CARDS.] All post-secondary institutions that enroll students accepting state or federal financial aid may provide every full-time student a student identification card that contains the enrolling student's photograph and name.

Subd. 2. [RESIDENTIAL HOUSING LIST.] All post-secondary institutions that enroll students accepting state or federal financial aid may prepare a current list of students enrolled in the institution and residing in the institution's housing or within ten miles of the institution's campus. The list shall include each student's current address. The list shall be certified and sent to the appropriate county auditor or auditors for use in election day registration as provided under section 201.061, subdivision 3.

Sec. 3. Minnesota Statutes 1990, section 200.02, is amended by adding a subdivision to read:

Subd. 21. [LOCAL ELECTION OFFICIAL.] “Local election official” means the municipal clerk or principal officer charged with duties relating to elections.

Sec. 4. Minnesota Statutes 1990, section 201.061, subdivision 3, is amended to read:

Subd. 3. [ELECTION DAY REGISTRATION.] An individual who is eligible to vote may register on election day by appearing in person at the polling place for the precinct in which the individual maintains residence, by completing a registration card, making an oath in the form prescribed by the secretary of state and providing proof of residence. An individual may prove residence for purposes of registering by:

(1) showing a ~~drivers~~ driver's license or Minnesota identification card issued pursuant to section 171.07;

(2) showing any document approved by the secretary of state as proper identification; ~~or~~

(3) showing one of the following:

(i) a current valid student identification card from a post-secondary educational institution in Minnesota, if a list of students from that institution has been prepared under section 135A.16 and certified to the county auditor in the manner provided in rules of the secretary of state; or

(ii) a current student fee statement that contains the student's valid address in the precinct together with a picture identification card; or

(4) having a voter who is registered to vote in the precinct sign an oath in the presence of the election judge vouching that the voter personally knows that the individual is a resident of the precinct. A voter who has been vouched for on election day may not sign a proof of residence oath vouching for any other individual on that election day.

A county, school district, or municipality may require that an election judge responsible for election day registration initial each completed registration card.

Sec. 5. Minnesota Statutes 1990, section 201.091, subdivision 1, is amended to read:

Subdivision 1. [MASTER LIST.] Each county auditor shall prepare and maintain a current list of registered voters in each precinct in the county which is known as the master list. The master list

must be created by entering each completed voter registration card received by the county auditor into the statewide registration system. It must show the name, residence address, and date of birth of each voter registered in the precinct. The information contained in the master list may only be made available to election public officials for purposes related to election administration, to the state court administrator for jury selection, and in response to public officials authorized to carry out a law enforcement duties inquiry concerning a violation of or failure to comply with any criminal statute or state or local tax statute.

Sec. 6. Minnesota Statutes 1990, section 201.091, subdivision 4, is amended to read:

Subd. 4. [PUBLIC INFORMATION LISTS.] The county auditor shall make available for inspection a public information list which must contain the name, address, and voting history of each registered voter in the county. The telephone number must be included on the list if provided by the voter. The public information list may also include information on voting districts. The county auditor may adopt reasonable rules governing access to the list. No individual inspecting the public information list shall tamper with or alter it in any manner. No individual who inspects the public information list or who acquires a list of registered voters prepared from the public information list may use any information contained in the list for purposes unrelated to elections, political activities, or law enforcement. The secretary of state may provide copies of the public information lists and other information from the statewide registration system for uses related to elections, political activities, or in response to a law enforcement inquiry from a public official concerning a failure to comply with any criminal statute or any state or local tax statute.

Before inspecting the public information list or obtaining a list of voters or other information from the list, the individual shall provide identification to the public official having custody of the public information list and shall state in writing that any information obtained from the list will not be used for purposes unrelated to elections, political activities, or law enforcement. Requests to examine or obtain information from the public information lists or the statewide registration system must be made and processed in the manner provided in the rules of the secretary of state.

Upon receipt of a written request and a copy of the court order, the secretary of state may withhold from the public information list the name of any registered voter placed under court-ordered protection.

Sec. 7. Minnesota Statutes 1990, section 201.13, subdivision 1, is amended to read:

Subdivision 1. [LOCAL REGISTRAR OF VITAL STATISTICS

COMMISSIONER OF HEALTH, REPORTS OF DECEASED RESIDENTS.] The local registrar of vital statistics in each county or municipality commissioner of health shall report monthly to the county auditor secretary of state the name and, address, date of birth, and county of residence of each individual 18 years of age or older who has died while maintaining residence in that county or municipality Minnesota since the last previous report. The secretary of state shall determine if any of the persons listed in the report are registered to vote and shall prepare a list of those registrants for each county auditor. The county auditor shall change the status of those registrants to "deceased" in the statewide registration system. Upon receipt of the report list, the county auditor shall remove from the files the original and duplicate registration cards of the voters reported to be deceased and make the appropriate changes in the data base of the central statewide registration system.

Sec. 8. [201.1611] [POST-SECONDARY INSTITUTION VOTER REGISTRATION.]

Subdivision 1. [FORMS.] All post-secondary institutions that enroll students accepting state or federal financial aid shall provide voter registration forms to each student upon payment of tuition, fees, and activities funds at the commencement of fall quarter. The forms must contain spaces for the information required in section 201.071, subdivision 1, and applicable rules of the secretary of state. The institutions may request these forms from the secretary of state.

Subd. 2. [STUDENT VOTER REGISTRATION.] Upon registration or receipt of payment of fees, students must be asked if they want to register to vote at the same time. A copy of each completed voter registration form must be sent to the county auditor of the county in which the voter maintains residence or to the secretary of state as soon as possible. All completed voter registration forms must be forwarded to the county auditor within five days and in no case later than 21 days before the general election.

Sec. 9. Minnesota Statutes 1990, section 203B.02, is amended by adding a subdivision to read:

Subd. 1a. [EXPERIMENTAL PROCEDURES.] A county board may authorize any eligible voter in the county to vote by absentee ballot without qualification by submitting a written request to the county auditor between August 1, 1991 and November 30, 1992, notwithstanding the provisions of subdivision 1. The county auditor shall notify the secretary of state immediately after the adoption of such a resolution of authorization by the county board.

The application for absentee ballots must include the voter's name, residence address in the county, address to which the ballots are to be mailed, the date of the request, and the voter's signature.

The county auditor shall maintain a record of the number of applications for absentee ballots submitted under this subdivision. No later than January 15, 1993, the secretary of state shall prepare a report to the legislature on the implementation of this subdivision.

Assistance to voters in marking absentee ballots is subject to section 204C.15, subdivision 1.

Sec. 10. Minnesota Statutes 1990, section 203B.04, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION PROCEDURES.] Except as otherwise allowed by subdivision 2, an application for absentee ballots for any election may be submitted at any time not less than one day before the day of that election. An application submitted pursuant to this subdivision shall be in writing and shall be submitted to:

(a) the county auditor of the county where the applicant maintains residence; or

(b) the municipal clerk of the municipality, or school district if applicable, where the applicant maintains residence.

An application shall be accepted if it is signed and dated by the applicant, contains the applicant's residence and mailing addresses, and states that the applicant is eligible to vote by absentee ballot for one of the reasons specified in section 203B.02. An application may be submitted to the county auditor or municipal clerk by an electronic facsimile device, at the discretion of the auditor or clerk.

Sec. 11. Minnesota Statutes 1990, section 204B.09, subdivision 1, is amended to read:

Subdivision 1. [CANDIDATES IN STATE AND COUNTY GENERAL ELECTIONS.] Except as otherwise provided by this subdivision, affidavits of candidacy and nominating petitions for county, state and federal offices filled at the state general election shall be filed not more than 70 days nor less than 56 days before the state primary. The affidavit may be prepared and signed at any time between 60 days before the filing period opens and the last day of the filing period. Notwithstanding other law to the contrary, the affidavit of candidacy must be signed in the presence of a notarial officer. Candidates for presidential electors may file petitions on or before the state primary day. Nominating petitions to fill vacancies in nominations shall be filed as provided in section 204B.13. No affidavit or petition shall be accepted later than 5:00 p.m. on the last day for filing. Affidavits and petitions for offices to be voted on in only one county shall be filed with the county auditor of that county. Affidavits and petitions for offices to be voted on in more than one county shall be filed with the secretary of state.

Sec. 12. Minnesota Statutes 1990, section 204B.16, subdivision 6, is amended to read:

Subd. 6. [PUBLIC FACILITIES.] Every statutory city, home rule charter city, county, town, school district, and other public agency, including the University of Minnesota and other public colleges and universities, shall make their facilities, including parking, available for the holding of city, county, school district, state, and federal elections, subject to the approval of the local election official. A charge for the use of the facilities may be imposed in an amount that does not exceed the lowest amount charged to any public or private group.

Sec. 13. Minnesota Statutes 1990, section 204B.16, is amended by adding a subdivision to read:

Subd. 7. [APPROPRIATE FACILITIES.] The facilities provided in accordance with subdivision 6 shall be sufficient in size to accommodate all election activities and the requirements of subdivision 5. The space must be separated from other activities within the building. The local election official may approve space in two connecting rooms for registration and balloting activities. Except in the event of an emergency making the approved space unusable, the public facility may not move the election from the space approved by the local election official without prior approval. In addition to the requirements of subdivision 5, the public facility must make remaining parking spaces not in use for regularly scheduled activities available for voters.

Sec. 14. Minnesota Statutes 1990, section 204B.32, is amended to read:

204B.32 [ELECTION EXPENSES; PAYMENT.]

Subdivision 1. [PAYMENT.] (a) The secretary of state shall pay the compensation for presidential electors, the cost of printing the pink paper ballots, and all necessary expenses incurred by the secretary of state in connection with elections.

(b) The counties shall pay the compensation prescribed in section 204B.31, clauses (b) and (c), the cost of printing the canary ballots, the white ballots, the pink ballots when machines are used, the state partisan primary ballots, and the state and county nonpartisan primary ballots, all necessary expenses incurred by county auditors in connection with elections, and the expenses of special county elections.

(c) Subject to subdivision 2, the municipalities shall pay the compensation prescribed for election judges and sergeants at arms, the cost of printing the municipal ballots, providing ballot boxes,

providing and equipping polling places and all necessary expenses of the municipal clerks in connection with elections, except special county elections.

(d) The school districts shall pay the compensation prescribed for election judges and sergeants-at-arms, the cost of printing the school district ballots, providing ballot boxes, providing and equipping polling places and all necessary expenses of the school district clerks in connection with school district elections not held in conjunction with state elections. When school district elections are held in conjunction with state elections, the school district shall pay the costs of printing the school district ballots, providing ballot boxes and all necessary expenses of the school district clerk.

All disbursements under this section shall be presented, audited, and paid as in the case of other public expenses.

Subd. 2. [ALLOCATION OF COSTS.] Municipalities or counties may allocate the costs of conducting elections to school districts for payment of their proportionate share of such expenses for elections held at the same time as the regular municipal or county primary and general election. Allocated costs include expenses for election equipment and supplies; polling locations; personnel (including election judge compensation and the portion of salaries of election administrative and technical employees attributable to the preparation and conduct of the election); transportation related to the conduct of the election; required election notices and newspaper publication of election information; communications devices; and postage (including mailings to election judges and for absentee voter applications and ballots).

Sec. 15. Minnesota Statutes 1990, section 204B.35, is amended by adding a subdivision to read:

Subd. 5. [COMBINED LOCAL ELECTIONS.] Municipalities shall determine the voting method in combined local elections when other election jurisdictions located wholly or partially within the municipality schedule elections on the same date as the regular municipal primary or general election.

Sec. 16. Minnesota Statutes 1990, section 204B.45, is amended by adding a subdivision to read:

Subd. 1a. [EXPERIMENTAL MAIL BALLOTING; AUTHORIZATION.] The secretary of state may authorize Ramsey and Kittson counties to conduct elections entirely by mail on an experimental basis. A request from a county board seeking authorization to conduct an experimental mail election must be submitted to the secretary of state at least 90 days prior to the election. The county auditor must pay all costs related to mailing the ballots to and from the voters.

The secretary of state shall prepare a report to the legislature on the implementation of this subdivision by January 15, 1993.

Sec. 17. Minnesota Statutes 1990, section 204C.19, subdivision 2, is amended to read:

Subd. 2. [BALLOTS; ORDER OF COUNTING.] Except as otherwise provided in this subdivision, the ballot boxes shall be opened, the votes counted, and the total declared one box at a time in the following order: the white box, the pink box, the canary box, the light green box, the blue box, the buff box, the goldenrod box, the gray box, and then the other kinds of ballots voted at the election. If enough election judges are available to provide counting teams of four or more election judges for each box, more than one box may be opened and counted at the same time. The election judges on each counting team shall be evenly divided between the major political parties. The numbers entered on the summary sheet shall not be considered final until the ballots in all the boxes have been counted and corrections have been made if ballots have been deposited in the wrong boxes.

Sec. 18. Minnesota Statutes 1990, section 204C.40, subdivision 2, is amended to read:

Subd. 2. [TIME OF ISSUANCE; CERTAIN OFFICES.] No certificate of election shall be issued until ~~12 days~~ seven days after the canvassing board has declared the result of the election. In case of a contest, an election certificate shall not be issued until a court of proper jurisdiction has finally determined the contest. This subdivision shall not apply to candidates elected to the office of state senator or representative.

Sec. 19. Minnesota Statutes 1990, section 205.07, subdivision 1, is amended to read:

Subdivision 1. [DATE.] The municipal general election in each statutory city shall be held on the first Tuesday after the first Monday in November in every even-numbered year; except that. Notwithstanding any provision of law to the contrary and subject to the provisions of this section, the governing body of a statutory city may, by ordinance passed at a regular meeting held before September 1 of any year, elect to hold the election on the first Tuesday after the first Monday in November in each odd-numbered year. A city which was a village on January 1, 1974 and before that date provided for a system of biennial elections in the odd-numbered year shall continue to hold its elections in that year until changed in accordance with this section. When a city changes its elections from one year to another, and does not provide for the expiration of terms by ordinance, the term of an incumbent expiring at a time when no municipal election is held in the months immediately prior to expiration is extended until the date for taking office following the

next scheduled municipal election. If the change results in having three council members to be elected at a succeeding election, the two individuals receiving the highest vote shall serve for terms of four years and the individual receiving the third highest number of votes shall serve for a term of two years. To provide an orderly transition to the odd or even year election plan, the governing body of the city may adopt supplementary ordinances regulating initial elections and officers to be chosen at the elections and shortening or lengthening the terms of incumbents and those elected at the initial election so as to conform as soon as possible to the regular schedule provided in section 412.02, subdivision 1. Whenever the time of the municipal election is changed, the city clerk immediately shall notify in writing the county auditor and secretary of state of the change of date. Thereafter the municipal general election shall be held on the first Tuesday after the first Monday in November in each odd-numbered or even-numbered year until the ordinance is revoked and notification of the change is made.

Sec. 20. Minnesota Statutes 1990, section 205.07, is amended by adding a subdivision to read:

Subd. 3. [EFFECT OF ORDINANCE; REFERENDUM.] An ordinance changing the year of the municipal election is effective 240 days after passage and publication or at a later date fixed in the ordinance. Within 180 days after passage and publication of the ordinance, a petition requesting a referendum on the ordinance may be filed with the city clerk. The petition shall be signed by eligible voters equal in number to ten percent of the total number of votes cast in the city at the last municipal general election. If the requisite petition is filed within the prescribed period, the ordinance shall not become effective until it is approved by a majority of the voters voting on the question at a general or special election held at least 60 days after submission of the petition. If the petition is filed, the governing body may reconsider its action in adopting the ordinance.

Sec. 21. Minnesota Statutes 1990, section 205.16, subdivision 4, is amended to read:

Subd. 4. [NOTICE TO AUDITOR.] At least ~~30~~ 45 days prior to every municipal election, the municipal clerk shall provide a written notice to the county auditor, including the date of the election and the offices and questions to be voted on at the election.

Sec. 22. Minnesota Statutes 1990, section 205A.04, is amended to read:

205A.04 [GENERAL ELECTION.]

Subdivision 1. [SCHOOL DISTRICT GENERAL ELECTION.] Except as may be provided in a special law or charter provision to the contrary, the general election in each school district must be held on

the third Tuesday in May, unless the school board provides by resolution for holding the school district general election on the first Tuesday after the first Monday in November. When the time of a school district's general election is changed from May to November, the terms of all board members shall be lengthened to expire on January 1; when the time of a school district's general election is changed from November to May, the terms of all board members shall be shortened to expire on July 1. Whenever the time of a school district election is changed, the school district clerk shall immediately notify in writing the county auditor or auditors of the counties in which the school district is located and the secretary of state of the change of date.

Subd. 2. [EXPERIMENTAL ELECTION; AUTHORIZATION.] The school board in independent school district No. 271 may, by resolution, designate the first Tuesday after the first Monday in November of either the odd-numbered or the even-numbered year as the date for its general election, and may reduce the existing terms of school board members to provide for staggered four-year terms thereafter. The resolution shall provide that, to the extent mathematically possible, the same number of board members is chosen at each election, exclusive of those chosen to fill vacancies for unexpired terms. Whenever the year of a school district election is changed, the school district clerk shall immediately notify in writing the county auditors of Hennepin and Scott counties and the secretary of state of the change of date. The secretary of state shall report to the legislature by January 15, 1993, on the implementation of this subdivision.

Sec. 23. Minnesota Statutes 1990, section 205A.07, subdivision 3, is amended to read:

Subd. 3. [NOTICE TO AUDITOR.] At least 30 45 days prior to every school district election, the school district clerk shall provide a written notice to the county auditor of each county in which the school district is located. The notice must include the date of the election and the offices and questions to be voted on at the election. For the purposes of meeting the timelines of this section, in a bond election, a notice, including a proposed question, may be provided to the county auditor prior to receipt of a review and comment from the commissioner of education and prior to actual initiation of the election.

Sec. 24. Minnesota Statutes 1990, section 211B.04, is amended to read:

211B.04 [CAMPAIGN LITERATURE MUST INCLUDE DISCLAIMER.]

(a) A person who participates in the preparation or dissemination of campaign material other than as provided in section 211B.05,

subdivision 1, that does not prominently include the name and address of the person or committee causing the material to be prepared or disseminated in a disclaimer substantially in the form provided in paragraph (b) or (c) is guilty of a misdemeanor.

(b) Except in cases covered by paragraph (c), the required form of disclaimer is: "Prepared and paid for by the committee,(address)" for material prepared and paid for by a principal campaign committee, or "Prepared and paid for by the committee,(address), in support of(insert name of candidate or ballot question)" for material prepared and paid for by a person or committee other than a principal campaign committee."

(c) In the case of broadcast media, the required form of disclaimer is: "Paid for by the committee."

(d) Campaign material that is not circulated on behalf of a particular candidate or ballot question must also include in the disclaimer either that it is "in opposition to(insert name of candidate or ballot question....)"; or that "this publication is not circulated on behalf of any candidate or ballot question."

(e) This section does not apply to objects stating only the candidate's name and the office sought, fundraising tickets, or personal letters that are clearly being sent by the candidate.

(f) This section does not modify or repeal section 211B.06.

Sec. 25. Minnesota Statutes 1990, section 447.32, subdivision 2, is amended to read:

Subd. 2. [ELECTIONS.] Except as provided in this chapter, the Minnesota election law applies to hospital district elections, as far as practicable. Regular elections must be held in each hospital district at the same time, in the same election precincts, and at the same polling places as general elections of state and county officers. Alternatively, the hospital board may by resolution fix a date for an election, not later than December 7 just before the expiration of board members' terms. It may establish the whole district as a single election precinct or establish two or more different election precincts and polling places for the elections. If there is more than one precinct, the boundaries of the election precincts and the locations of the polling places must be defined in the notice of election, either in full or by reference to a description or map on file in the office of the clerk.

Special elections may be called by the hospital board at any time to vote on any matter required by law to be submitted to the voters. A special election may not be conducted either during the 30 days before and the 30 days after the state primary or state general

election, or during the 20 days before and the 20 days after the regularly scheduled election of any municipality wholly or partially within the hospital district. Special elections must be held within the election precinct or precincts and at the polling place or places designated by the board. In the case of the first election of officers of a new district, precincts and polling places must be set by the governing body of the most populous city or town included in the district.

Advisory ballots may be submitted by the hospital board on any question it wishes, concerning the affairs of the district, but only at a regular election or at a special election required for another purpose.

Sec. 26. Minnesota Statutes 1990, section 447.32, subdivision 3, is amended to read:

Subd. 3. [ELECTION NOTICES.] At least two weeks before the first day to file affidavits of candidacy, the clerk of the district shall publish a notice stating the first and last day on which affidavits of candidacy may be filed, the places for filing the affidavits and the closing time of the last day for filing. The clerk shall post a similar notice in at least one conspicuous place in each city and town in the district at least ten days before the first day to file affidavits of candidacy.

The notice of each election must be posted in at least one public and conspicuous place within each city and town included in the district at least ten days before the election. It must be published in the official newspaper of the district or, if a paper has not been designated, in a legal newspaper having general circulation within the district, at least one week two weeks before the election. Failure to give notice does not invalidate the election of an officer of the district. A voter may contest a hospital district election in accordance with chapter 209. Chapter 209 applies to hospital district elections.

Sec. 27. Minnesota Statutes 1990, section 447.32, subdivision 4, is amended to read:

Subd. 4. [CANDIDATES; BALLOTS; CERTIFYING ELECTION.] A person who wants to be a candidate for the hospital board shall file an application to be placed on the ballot as a candidate affidavit of candidacy for the election either as member at large or as a member representing the city or town where the candidate resides. The application affidavit of candidacy must be filed with the city or town clerk not more than 60 or less than 45 days ten weeks nor less than eight weeks before the election. Applications The city or town clerk must be forwarded immediately forward the affidavits of candidacy to the clerk of the hospital district or, for the first election, the clerk of the most populous city or town immediately after the last day of

the filing period. A candidate may withdraw from the election by filing an affidavit of withdrawal with the clerk of the district no later than 12:00 p.m. on the day after the last day to file affidavits of candidacy.

Voting must be by secret ballot. The clerk shall prepare, at the expense of the district, necessary ballots for the election of officers. Ballots must contain the names of the proposed candidates for each office, the length of the term of each office, and an additional blank space for the insertion of another name by the voter. The ballots must be marked and initialed by at least two judges as official ballots and used exclusively at the election. Any proposition to be voted on may be printed on the ballot provided for the election of officers or on a different ballot. The hospital board may also authorize the use of voting machines subject to chapter 206. Enough election judges may be appointed to receive the votes at each polling place. They may be paid by the district at a rate set by the board. The election judges shall act as clerks of election, count the ballots cast, and submit them to the board for canvass.

After canvassing the election, the board shall issue a certificate of election to the candidate who received the largest number of votes cast for each office. The clerk shall deliver the certificate to the person entitled to it in person or by certified mail. Each person certified shall file an acceptance and oath of office in writing with the clerk within 30 days after the date of delivery or mailing of the certificate. The board may fill any office as provided in subdivision 1 if the person elected fails to qualify within 30 days, but qualification is effective if made before the board acts to fill the vacancy.

Sec. 28. [EFFECTIVE DATE.]

Sections 19 and 20 are effective the day following final enactment and apply to all ordinances passed within 180 days prior to the day following final enactment."

Delete the title and insert:

"A bill for an act relating to elections; changing requirement of absentee ballot applications for deer hunters; facilitating voting by certain students; defining certain terms; providing for use of certain facilities for elections; clarifying uses to be made of lists of registered voters; requiring commissioner of health to report deaths to secretary of state; authorizing facsimile applications for absentee ballots; authorizing certain experimental election procedures; requiring notarized affidavits of candidacy; providing for allocation of certain election expenses; providing for voting methods in combined local elections; providing order of counting gray box ballots; changing time for issuance of certificates of election; clarifying effect of changing the year of municipal elections; changing certain dead-

lines and procedures in school district elections; authorizing an experimental school board election; changing disclaimer language; changing procedures for hospital district elections; amending Minnesota Statutes 1990, sections 97A.485, subdivision 1a; 200.02, by adding a subdivision; 201.061, subdivision 3; 201.091, subdivisions 1 and 4; 201.13, subdivision 1; 203B.02, by adding a subdivision; 203B.04, subdivision 1; 204B.09, subdivision 1; 204B.16, subdivision 6, and by adding a subdivision; 204B.32; 204B.35, by adding a subdivision; 204B.45, by adding a subdivision; 204C.19, subdivision 2; 204C.40, subdivision 2; 205.07, subdivision 1, and by adding a subdivision; 205.16, subdivision 4; 205A.04; 205A.07, subdivision 3; 211B.04; and 447.32, subdivisions 2, 3, and 4; proposing coding for new law in Minnesota Statutes, chapters 135A and 201."

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

House Conferees: HAROLD LASLEY, LINDA SCHEID, TOM OSTHOFF, RON ABRAMS AND LOREN A. SOLBERG.

Senate Conferees: JEROME M. HUGHES, WILLIAM P. LUTHER, LAWRENCE J. POGEMILLER, DEAN E. JOHNSON AND PAT PIPER.

Lasley moved that the report of the Conference Committee on H. F. No. 478 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 478, A bill for an act relating to elections; changing requirement of absentee ballot applications for deer hunters; facilitating voting by certain students; defining certain terms; providing for use of certain facilities for elections; clarifying uses to be made of lists of registered voters; requiring commissioner of health to report deaths to secretary of state; authorizing facsimile applications for absentee ballots; authorizing certain experimental procedures for absentee ballots and mail balloting; requiring notarized affidavits of candidacy; providing for voting methods in combined local elections; providing order of counting gray box ballots; changing time for issuance of certificates of election; clarifying effect of changing the year of municipal elections; changing certain deadlines; authorizing an experimental school board election; changing procedures for hospital district elections; amending Minnesota Statutes 1990, sections 97A.485, subdivision 1a; 200.02, by adding a subdivision; 201.061, subdivision 3; 201.091, subdivisions 1 and 4; 201.13, subdivision 1; 203B.02, by adding a subdivision; 203B.04, subdivision 1; 204B.09, subdivision 1; 204B.16, subdivision 6, and by adding a subdivision; 204B.32; 204B.35, by adding a subdivision; 204B.45, by adding a subdivision; 204C.19, subdivision 2; 204C.40, subdivision 2; 205.07, subdivision 1, and by adding a subdivision; 205.16, subdivision 4; 205A.04; 205A.07, subdivision 3; and 447.32,

subdivisions 2, 3, and 4; proposing coding for new law in Minnesota Statutes, chapters 135A and 201.

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	Frerichs	Kinkel	Olson, E.	Skoglund
Anderson, I.	Garcia	Knickerbocker	Olson, K.	Smith
Anderson, R. H.	Girard	Koppendrayner	Omann	Solberg
Battaglia	Goodno	Krinkie	Onnen	Sparby
Bauerly	Greenfield	Krueger	Orenstein	Stanius
Beard	Gruenes	Lasley	Orfield	Steenmsa
Begich	Gutknecht	Leppik	Osthoff	Sviggum
Bertram	Hanson	Lieder	Ostrom	Swenson
Bettermann	Hartle	Limmer	Ozment	Thompson
Bishop	Hasskamp	Long	Pauly	Tompkins
Blatz	Haukoos	Lourey	Pellow	Trimble
Bodahl	Hausman	Lynch	Pelowski	Tunheim
Boo	Heir	Macklin	Peterson	Uphus
Brown	Henry	Mariani	Pugh	Valento
Carlson	Hufnagle	Marsh	Reding	Vellenga
Carruthers	Hugoson	McEachern	Rest	Wagenius
Clark	Jacobs	McGuire	Rice	Waltman
Cooper	Janezich	McPherson	Rodosovich	Weaver
Dauner	Jaros	Milbert	Rukavina	Wejcman
Dauids	Jefferson	Morrison	Runbeck	Welker
Dawkins	Jennings	Munger	Sarna	Welle
Dempsey	Johnson, A.	Murphy	Schafer	Wenzel
Dille	Johnson, R.	Nelson, K.	Scheid	Winter
Dorn	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Erhardt	Kahn	Newinski	Seaberg	
Farrell	Kalis	O'Connor	Segal	
Frederick	Kelso	Olsen, S.	Simoneau	

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

Anderson, R., was excused while in conference.

SPECIAL ORDERS

S. F. No. 1244 was reported to the House.

Scheid moved that S. F. No. 1244 be continued on Special Orders. The motion prevailed.

H. F. No. 31, 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; providing for fees; imposing a penalty; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 299M.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 104 yeas and 26 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Olsen, S.	Segal
Anderson, I.	Garcia	Krueger	Olson, E.	Simoneau
Anderson, R. H.	Goodno	Lasley	Olson, K.	Skoglund
Battaglia	Greenfield	Leppik	Omann	Smith
Bauerly	Gruenes	Lieder	Orenstein	Solberg
Beard	Hanson	Limmer	Orfield	Sparby
Begich	Hasskamp	Long	Osthoff	Stanius
Bertram	Hausman	Lourey	Ozment	Steensma
Bishop	Heir	Lynch	Pauly	Thompson
Blatz	Henry	Macklin	Peterson	Trimble
Bodahl	Hufnagle	Mariani	Pugh	Tunheim
Brown	Jacobs	Marsh	Reding	Valento
Carlson	Janezich	McEachern	Rest	Vellenga
Carruthers	Jaros	McGuire	Rice	Wagenius
Clark	Jefferson	Milbert	Rodosovitch	Weaver
Cooper	Johnson, A.	Morrison	Rukavina	Wejman
Dawkins	Johnson, R.	Munger	Runbeck	Welle
Dempsey	Kahn	Murphy	Sarna	Wenzel
Dille	Kalis	Nelson, K.	Scheid	Winter
Dorn	Kelso	Newinski	Schreiber	Spk. Vanasek
Farrell	Kinkel	O'Connor	Seaberg	

Those who voted in the negative were:

Bettermann	Gutknecht	Koppendrayner	Pellow	Waltman
Dauner	Hartle	Krinkie	Pelowski	Welker
Davids	Haukoos	McPherson	Schafer	
Erhardt	Hugoson	Nelson, S.	Svigum	
Frerichs	Jennings	Onnen	Tompkins	
Girard	Johnson, V.	Ostrom	Uphus	

The bill was passed and its title agreed to.

H. F. No. 989 was reported to the House.

Bishop moved that H. F. No. 989 be continued on Special Orders. The motion prevailed.

S. F. No. 1238, A bill for an act relating to the city of Richfield; authorizing the city to advance money to the commissioner of transportation to expedite construction of a frontage road within the city; authorizing an agreement between the commissioner and the

city; authorizing the city to issue bonds and requiring the commissioner to pay interest on the bonds up to a certain amount.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Knickerbocker	Olson, K.	Smith
Anderson, I.	Garcia	Koppendrayner	Omman	Solberg
Anderson, R. H.	Girard	Krinkie	Onnen	Sparby
Battaglia	Goodno	Krueger	Orenstein	Stanisus
Bauerly	Greenfield	Lasley	Orfield	Steensma
Beard	Gruenes	Leppik	Osthoff	Sviggum
Begich	Gutknecht	Lieder	Ostrom	Swenson
Bertram	Hanson	Limmer	Ozment	Thompson
Bettermann	Hartle	Long	Pauly	Tompkins
Bishop	Hasskamp	Lourey	Pellow	Trimble
Blatz	Haukoos	Lynch	Pelowski	Tunheim
Bodahl	Hausman	Macklin	Peterson	Uphus
Boo	Heir	Mariani	Pugh	Valento
Brown	Henry	Marsh	Reding	Vellenga
Carlson	Hufnagle	McEachern	Rest	Wagenius
Carruthers	Hugoson	McGuire	Rice	Waltman
Clark	Jacobs	McPherson	Rodosovich	Weaver
Cooper	Janezich	Milbert	Rukavina	Wejcman
Dauner	Jefferson	Morrison	Runbeck	Welker
Davids	Jennings	Munger	Sarna	Welle
Dawkins	Johnson, A.	Murphy	Schafer	Wenzel
Dempsey	Johnson, R.	Nelson, K.	Scheid	Winter
Dille	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Dorn	Kahn	Newinski	Seaberg	
Erhardt	Kalis	O'Connor	Segal	
Farrell	Kelso	Olsen, S.	Simoneau	
Frederick	Kinkel	Olson, E.	Skoglund	

The bill was passed and its title agreed to.

S. F. No. 858, A bill for an act relating to restitution; requiring offenders who have been court-ordered to pay restitution to provide affidavits of financial disclosure to investigating correctional agencies; amending Minnesota Statutes 1990, section 611A.04, 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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Garcia	Knickerbocker	Olson, K.	Smith
Anderson, I.	Girard	Koppendrayer	Omann	Solberg
Anderson, R. H.	Goodno	Krinkie	Onnen	Sparby
Battaglia	Greenfield	Krueger	Orenstein	Stanius
Bauerly	Gruenes	Lasley	Orfield	Steensma
Beard	Gutknecht	Leppik	Osthoff	Sviggum
Begich	Hanson	Lieder	Ostrom	Swenson
Bertram	Hartle	Limmer	Ozment	Thompson
Bettermann	Hasskamp	Long	Pauly	Tompkins
Bishop	Haukoos	Lourey	Pellow	Trimble
Blatz	Hausman	Lynch	Pelowski	Tunheim
Bodahl	Heir	Macklin	Peterson	Uphus
Boo	Henry	Mariani	Pugh	Valento
Brown	Hufnagle	Marsh	Reding	Vellenga
Carlson	Hugoson	McEachern	Rest	Wagenius
Carruthers	Jacobs	McGuire	Rice	Waltman
Clark	Janezich	McPherson	Rodosovich	Weaver
Dauner	Jaros	Milbert	Rukavina	Wejcman
Davids	Jefferson	Morrison	Runbeck	Welker
Dawkins	Jennings	Munger	Sarna	Welle
Dempsey	Johnson, A.	Murphy	Schafer	Wenzel
Dille	Johnson, R.	Nelson, K.	Scheid	Winter
Dorn	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Erhardt	Kahn	Newinski	Seaberg	
Farrell	Kalis	O'Connor	Segal	
Frederick	Kelso	Olsen, S.	Simoneau	
Frerichs	Kinkel	Olson, E.	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 1072 was reported to the House.

Dawkins and Gutknecht moved to amend H. F. No. 1072, the second engrossment, as follows:

Page 2, line 30, delete everything after "completed" and insert a period

Page 2, delete lines 31 and 32

Page 3, delete lines 14 to 16

Page 3, line 17, delete "(2)" and insert "(1)"

Page 3, line 19, delete "(3)" and insert "(2)"

The motion prevailed and the amendment was adopted.

H. F. No. 1072, A bill for an act relating to energy; removing requirement for foundation insulation; providing for energy audits of rental property; requiring landlords to disclose certain energy information to prospective tenants; amending Minnesota Statutes 1990, sections 216C.27, subdivision 3; 216C.31; and 504.22, by adding a subdivision.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 110 yeas and 21 nays as follows:

Those who voted in the affirmative were:

Abrams	Farrell	Kelso	Newinski	Seaberg
Anderson, I.	Frederick	Kinkel	O'Connor	Segal
Battaglia	Garcia	Knickerbocker	Olsen, S.	Simoneau
Bauerly	Goodno	Koppendrayner	Olson, E.	Skoglund
Beard	Greenfield	Krueger	Olson, K.	Smith
Begich	Gruenes	Lasley	Omann	Solberg
Bertram	Gutknecht	Leppik	Orenstein	Sparby
Bettermann	Hanson	Lieder	Orfield	Steensma
Blatz	Hasskamp	Long	Osthoff	Swenson
Bodahl	Hausman	Lourey	Ostrom	Thompson
Boo	Heir	Lynch	Pauly	Trimble
Brown	Henry	Macklin	Pelowski	Tunheim
Carlson	Hufnagle	Mariani	Peterson	Valento
Carruthers	Jacobs	Marsh	Pugh	Vellenga
Clark	Janezich	McEachern	Reding	Wagenius
Cooper	Jaros	McGuire	Rest	Waltman
Dauner	Jefferson	Milbert	Rice	Weaver
Dawkins	Jennings	Morrison	Rodosovich	Wejcman
Dempsey	Johnson, A.	Munger	Rukavina	Welle
Dille	Johnson, R.	Murphy	Sarna	Wenzel
Dorn	Kahn	Nelson, K.	Scheid	Winter
Erhardt	Kalis	Nelson, S.	Schreiber	Spk. Vanasek

Those who voted in the negative were:

Anderson, R. H.	Haukoos	McPherson	Schafer	Welker
Davids	Hugoson	Onnen	Stanias	
Frerichs	Johnson, V.	Ozment	Sviggum	
Girard	Krinkie	Pellow	Tompkins	
Hartle	Limmer	Runbeck	Uphus	

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

S. F. No. 1179 was reported to the House.

Trimble moved that S. F. No. 1179 be temporarily laid over on Special Orders. The motion prevailed.

S. F. No. 1129, A bill for an act relating to water and wastewater treatment; expanding the authority of municipalities to contract for private design and construction of water and wastewater treatment facilities; amending Minnesota Statutes 1990, section 471.371, subdivisions 2, 4, and 5; repealing Minnesota Statutes 1990, section 471.371, subdivisions 1 and 6.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Garcia	Knickerbocker	Olson, K.	Smith
Anderson, I.	Girard	Koppendrayer	Omann	Solberg
Anderson, R. H.	Goodno	Krinkie	Onnen	Sparby
Battaglia	Greenfield	Krueger	Orenstein	Stanius
Bauerly	Gruenes	Lasley	Orfield	Steensma
Beard	Gutknecht	Leppik	Osthoff	Sviggum
Begich	Hanson	Lieder	Ostrom	Swenson
Bertram	Hartle	Limmer	Ozment	Thompson
Bettermann	Hasskamp	Long	Pauly	Tompkins
Blatz	Haukoos	Lourey	Pellow	Trimble
Bodahl	Hausman	Lynch	Pelowski	Tunheim
Boo	Heir	Macklin	Peterson	Uphus
Brown	Henry	Mariani	Pugh	Valento
Carlson	Hufnagle	Marsh	Reding	Vellenga
Carruthers	Hugoson	McEachern	Rest	Wagenius
Clark	Jacobs	McGuire	Rice	Waltman
Cooper	Janezich	McPherson	Rodosovich	Weaver
Dauner	Jaros	Milbert	Rukavina	Wejcman
Davids	Jefferson	Morrison	Runbeck	Welker
Dawkins	Jennings	Munger	Sarna	Welle
Dempsey	Johnson, A.	Murphy	Schafer	Wenzel
Dille	Johnson, R.	Nelson, K.	Scheid	Winter
Dorn	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Erhardt	Kahn	Newinski	Seaberg	
Farrell	Kalis	O'Connor	Segal	
Frederick	Kelso	Olsen, S.	Simoneau	
Frerichs	Kinkel	Olson, E.	Skoglund	

The bill was passed and its title agreed to.

S. F. No. 971 was reported to the House.

Olson, E.; Dille; Anderson, R. H.; Dorn; Uphus; Simoneau; Kahn; Koppendrayer; McGuire; Girard; McPherson; Gutknecht and Bishop moved to amend S. F. No. 971, as follows:

Page 1, line 11, strike "June"

Page 1, line 12, strike "12," and delete "1992" and insert "such time as BST is approved by the federal food and drug administration for general use on dairy cows for production enhancement"

Page 1, line 20, strike "June 12,"

Page 1, line 21, delete "1992" and insert "such time as BST is approved by the federal food and drug administration for general use on dairy cows for production enhancement"

Page 2, line 20, strike "June 12," and delete "1992" and insert "such time as BST is approved by the federal food and drug

administration for general use on dairy cows for production enhancement"

Page 2, line 31, delete "June 12, 1992" and insert "such time as BST is approved by the federal food and drug administration for general use on dairy cows for production enhancement"

Page 2, delete lines 33 to 36

Page 3, delete lines 1 to 12

Page 3, line 13, delete the paragraph letter

Page 3, line 14, delete everything after "enactment"

Page 3, delete lines 15 and 16

Page 3, line 17, delete everything before the period

A roll call was requested and properly seconded.

The question was taken on the Olson, E., et al amendment and the roll was called. There were 65 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Kahn	Newinski	Schafer
Anderson, R. H.	Goodno	Knickerbocker	Olsen, S.	Schreiber
Bettermann	Gruenes	Koppendrayner	Olsen, E.	Seaberg
Bishop	Gutknecht	Krinkie	Olson, K.	Simoneau
Blatz	Hanson	Leppik	Omann	Smith
Boo	Hartle	Lieder	Onnen	Stanius
Davids	Haukoos	Limmer	Osthoff	Sviggum
Dempsey	Heir	Lynch	Ozment	Swenson
Dille	Henry	Macklin	Pauly	Uphus
Dorn	Hufnagle	Marsh	Pellow	Valento
Erhardt	Hugoson	McGuire	Pelowski	Waltman
Frederick	Jennings	McPherson	Reding	Weaver
Frerichs	Johnson, V.	Morrison	Runbeck	Welker

Those who voted in the negative were:

Anderson, I.	Daurer	Kelso	O'Connor	Skoglund
Anderson, R.	Dawkins	Kinkel	Orenstein	Solberg
Battaglia	Farrell	Krueger	Orfield	Sparby
Bauerly	Garcia	Lasley	Ostrom	Steensma
Beard	Greenfield	Long	Peterson	Thompson
Begich	Hasskamp	Lourey	Pugh	Tompkins
Bertram	Hausman	Mariani	Rest	Trimble
Bodahl	Jacobs	McEachern	Rice	Vellenga
Brown	Jaros	Milbert	Rodosovich	Wagenius
Carlson	Jefferson	Munger	Rukavina	Weicman
Carruthers	Johnson, A.	Murphy	Sarna	Welle
Clark	Johnson, R.	Nelson, K.	Scheid	Wenzel
Cooper	Kalis	Nelson, S.	Segal	Winter

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

S. F. No. 971, A bill for an act relating to agriculture; extending the ban on the use of biosynthetic bovine somatotropin by one year; amending Minnesota Statutes 1990, sections 151.01, subdivision 28; 151.15, subdivision 3; and 151.25; and Laws 1990, chapter 526, section 1.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 70 yeas and 58 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Davids	Kelso	Omann	Skoglund
Anderson, R.	Dawkins	Kinkel	Orenstein	Solberg
Battaglia	Farrell	Krueger	Orfield	Sparby
Bauerly	Garcia	Lasley	Ostrom	Steensma
Beard	Greenfield	Lieder	Peterson	Thompson
Begich	Gruenes	Long	Pugh	Tompkins
Bertram	Hasskamp	Lourey	Rest	Trimble
Bodahl	Hausman	McEachern	Rice	Tunheim
Brown	Jacobs	Milbert	Rodosovich	Vellenga
Carlson	Jaros	Munger	Rukavina	Wagenius
Carruthers	Jefferson	Murphy	Sarna	Wejcman
Clark	Jennings	Nelson, K.	Scheid	Welle
Cooper	Johnson, R.	Nelson, S.	Segal	Wenzel
Dauner	Kalis	O'Connor	Simoneau	Winter

Those who voted in the negative were:

Abrams	Girard	Kahn	Newinski	Seaberg
Anderson, R. H.	Goodno	Knickerbocker	Olsen, S.	Smith
Bettermann	Gutknecht	Koppendrayer	Olson, E.	Stanius
Bishop	Hanson	Krinkie	Olson, K.	Sviggum
Blatz	Hartle	Leppik	Onuea	Swenson
Boo	Haukoos	Limmer	Ozment	Uphus
Dempsey	Heir	Lynch	Pauly	Valento
Dille	Henry	Macklin	Pellow	Waltman
Dorn	Hufnagle	Marsh	Pelowski	Weaver
Erhardt	Hugoson	McGuire	Runbeck	Welker
Frederick	Johnson, A.	McPherson	Schafer	
Frerichs	Johnson, V.	Morrison	Schreiber	

The bill was passed and its title agreed to.

S. F. No. 1064, A bill for an act relating to waters; exempting certain proceedings by the board of water and soil resources from the administrative procedure act; changing administrative appeal procedures; authorizing appeals to the court of appeals; exempting the Minnesota housing finance agency from restrictions on transfers of marginal land and wetlands; limiting a prohibition on certain new

water use permits to the metropolitan area; exempting tree and shrub planting from certain notification requirements; amending Minnesota Statutes 1990, sections 103B.345, subdivisions 2 and 4; 103D.105, subdivision 1; 103D.111; 103F.535, subdivision 1; 103G.271, subdivision 4a; and 216D.01, subdivision 5.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Frederick	Kelso	O'Connor	Segal
Anderson, R. H.	Frerichs	Kinkel	Olson, E.	Simoneau
Battaglia	Girard	Koppendrayner	Olson, K.	Skoglund
Bauerly	Goodno	Krinkie	Omann	Solberg
Beard	Greenfield	Krueger	Onnen	Sparby
Begich	Gruenes	Lasley	Orenstein	Stanius
Bertram	Gutknecht	Leppik	Orfield	Steensma
Bettermann	Hanson	Lieder	Osthoff	Sviggum
Bishop	Hartle	Limmer	Ostrom	Swenson
Blatz	Hasskamp	Long	Ozment	Thompson
Bodahl	Haukoos	Lourey	Pauly	Tompkins
Boo	Hausman	Lynch	Pellow	Trimble
Brown	Heir	Macklin	Pelowski	Tunheim
Carlson	Henry	Mariani	Peterson	Uphus
Carruthers	Hufnagle	Marsh	Pugh	Valento
Clark	Hugoson	McEachern	Reding	Vellenga
Cooper	Jacobs	McGuire	Rest	Wagenius
Dauner	Janezich	McPherson	Rodosovich	Waltman
Davids	Jaros	Milbert	Rukavina	Weaver
Dawkins	Jefferson	Morrison	Runbeck	Wejzman
Dempsey	Jeffings	Munger	Sarna	Welker
Dille	Johnson, A.	Murphy	Schafer	Welle
Dorn	Johnson, V.	Nelson, K.	Scheid	Wenzel
Erhardt	Kahn	Nelson, S.	Schreiber	Winter
Farrell	Kalis	Newinski	Seaberg	Spk. Vanasek

Those who voted in the negative were:

Abrams	Knickerbocker	Olsen, S.	Smith
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The bill was passed and its title agreed to.

S. F. No. 84, A bill for an act relating to state lands; authorizing sale of certain tax-forfeited land that borders public water in the city of Barnesville in Clay county.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Olson, K.	Smith
Anderson, I.	Garcia	Knickerbocker	Omann	Solberg
Anderson, R. H.	Girard	Koppendrayner	Onnen	Sparby
Battaglia	Goodno	Krinkie	Orenstein	Stanius
Bauerly	Greenfield	Krueger	Orfield	Steenma
Beard	Gruenes	Lasley	Osthoff	Sviggum
Begich	Gutknecht	Leppik	Ostrom	Swenson
Bertram	Hanson	Lieder	Ozment	Thompson
Bettermann	Hartle	Limmer	Pauly	Tompkins
Bishop	Hasskamp	Long	Pellow	Trimble
Blatz	Haukoos	Lynch	Pelowski	Tunheim
Bodahl	Hausman	Macklin	Peterson	Uphus
Boo	Heir	Mariani	Pugh	Valento
Brown	Henry	Marsh	Reding	Vellenga
Carlson	Hufnagle	McEachern	Rest	Wagenius
Carruthers	Hugoson	McGuire	Rice	Waltman
Clark	Jacobs	McPherson	Rodosovich	Weaver
Cooper	Janezich	Milbert	Rukavina	Wejeman
Dauner	Jaros	Morrison	Runbeck	Welker
Davids	Jefferson	Munger	Sarna	Welle
Dawkins	Jennings	Murphy	Schafer	Wenzel
Dempsey	Johnson, A.	Nelson, K.	Scheid	Winter
Dille	Johnson, R.	Nelson, S.	Schreiber	Spk. Vanasek
Dorn	Johnson, V.	Newinski	Seaberg	
Erhardt	Kahn	O'Connor	Segal	
Farrell	Kalis	Olsen, S.	Simoneau	
Frederick	Kelso	Olson, E.	Skoglund	

The bill was passed and its title agreed to.

S. F. No. 820, A bill for an act relating to the state agricultural society; providing some building and contracting exceptions; regulating real estate transactions; setting conditions for counties to assist state fair exhibits; amending Minnesota Statutes 1990, sections 37.02; 37.19; and 375.79; repealing Minnesota Statutes 1990, sections 375.80; 375.81; and 375.82.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Bertram	Carlson	Dempsey	Garcia
Anderson, I.	Bettermann	Carruthers	Dille	Girard
Anderson, R. H.	Bishop	Clark	Dorn	Goodno
Battaglia	Blatz	Cooper	Erhardt	Greenfield
Bauerly	Bodahl	Dauner	Farrell	Gruenes
Beard	Boo	Davids	Frederick	Gutknecht
Begich	Brown	Dawkins	Frerichs	Hanson

Hartle	Knickerbocker	Murphy	Reding	Swenson
Hasskamp	Koppendrayer	Nelson, K.	Rest	Thompson
Haukoos	Krinkie	Nelson, S.	Rice	Tompkins
Hausman	Krueger	Newinski	Rodosovich	Trimble
Heir	Lasley	O'Connor	Rukavina	Uphus
Henry	Leppik	Olsen, S.	Runbeck	Valento
Hufnagle	Lieder	Olsen, E.	Sarna	Vellenga
Hugoson	Limmer	Olson, K.	Schafer	Wagenius
Jacobs	Long	Omann	Scheid	Waltman
Janezich	Lourey	Onnen	Schreiber	Weaver
Jaros	Lynch	Orenstein	Seaberg	Wejcman
Jefferson	Macklin	Orfield	Segal	Welker
Jennings	Mariani	Osthoff	Simoneau	Welle
Johnson, A.	Marsh	Ostrom	Skoglund	Wenzel
Johnson, R.	McEachern	Ozment	Smith	Winter
Johnson, V.	McGuire	Pauly	Solberg	Spk. Vanasek
Kahn	McPherson	Pellow	Sparby	
Kalis	Milbert	Pelowski	Stanius	
Kelso	Morrison	Peterson	Steensma	
Kinkel	Munger	Pugh	Sviggum	

The bill was passed and its title agreed to.

There being no objection, the order of business advanced to Motions and Resolutions.

MOTIONS AND RESOLUTIONS

Vanasek, Long and Dempsey introduced:

House Resolution No. 6, A house resolution recognizing the participants in the 1991 High School Page Program.

SUSPENSION OF RULES

Simoneau moved that the rules be so far suspended that House Resolution No. 6 be now considered and be placed upon its adoption. The motion prevailed.

HOUSE RESOLUTION NO. 6

A house resolution recognizing the participants in the 1991 High School Page Program.

Whereas, 176 students from across the state participated in the High School Page Program during a 17-week period from January 14 to May 10 to serve as Pages and to learn the legislative process firsthand; and

Whereas, recognition is given to the 30 High School Page Alumni

who have volunteered to return the week of May 13 to 17, 1991; and

Whereas, the Alumni will serve for one or two days as a demonstration of their appreciation for the educational, informative, and exciting week they spent at the State Capitol with the representatives and staff of the legislative, executive, and judicial branches of government; *Now, Therefore*,

Be It Resolved by the House of Representatives of the State of Minnesota that recognizes the participants in the 1991 High School Page Program. It appreciates the volunteer service of the following 30 Page Alumni: Jessica Ackland, Cristina Baker, Christine Bearl, David Bobb, Alex Bollman, Joseph Carpenter, Marvin Cronier, Jason DeKeuster, Erica Diemert, Jason Francis, Marc Fredson, Anthony Hedlund, Keely Herron, Hans Hinrichs, Wendi Hockert, Heidi Kranz, Mark Larson, Nathan Liable, Heidi Middleton, Stacey Norman, Amanda Peterson, Jennie Quick, Michelle Randall, Meghan Riley, Amy Roll, Damond Schemmel, Sarah Schmitz, Kristi Stanislawski, Brian Tanaka, and Tasia Treimer.

Be It Further Resolved that the Chief Clerk of the House of Representatives is directed to prepare enrolled copies of this resolution, to be authenticated by his signature and that of the Speaker, and that they be presented to each of the Pages named above, and recorded in the House Journal.

Simoneau moved that House Resolution No. 6 be now adopted. The motion prevailed and House Resolution No. 6 was adopted.

There being no objection the order of business reverted to Special Orders.

SPECIAL ORDERS

S. F. No. 449 was reported to the House.

Reding moved to amend S. F. No. 449, as follows:

Page 3, after line 3, insert:

“Sec. 3. Minnesota Statutes 1990, section 354A.12, is amended by adding a subdivision to read:

Subd. 1a. [OBLIGATION FOR OMITTED SALARY DEDUCTIONS.] If the full required contributions are not deducted from the salary of a teacher, payment of the shortage in such deductions on salary earned after June 30, 1988 is the sole obligation of the employing unit during the period of up to three years following the end of the fiscal year in which the shortage occurred. The shortage is payable by the employing unit upon notification of the shortage by the executive director of the applicable retirement fund associa-

tion. The employing unit shall also pay any employer contributions related to the shortage. The amount of the shortage in employee contributions and associated employer contributions is payable with interest at the rate of six percent per annum, compounded annually, from the end of the fiscal year in which the shortage occurred to the end of the month in which payment is made and the interest shall be credited to the fund. If the shortage payment is not paid by the employing unit within 60 days of notification, the executive director shall certify the amount of the shortage payment to the commissioner of finance, who shall deduct the amount from any state aid or appropriation amount applicable to the employing unit.

Sec. 4. [MINNEAPOLIS TEACHERS MEDICAL LEAVE CREDIT.]

In accordance with Minnesota Statutes, section 354A.12, subdivision 4, approval is granted for the Minneapolis teachers retirement fund association to amend its articles of incorporation or bylaws to allow basic plan members who are granted medical leave of absence by special school district No. 1, Minneapolis, to receive up to one year service credit of that leave in accordance with Minnesota Statutes, section 354A.096.

Sec. 5. [MINNEAPOLIS TEACHERS RETIREE RESUMING SERVICE.]

In accordance with Minnesota Statutes, section 354A.12, subdivision 4, approval is granted for the Minneapolis teachers retirement fund association to amend its articles of incorporation or bylaws to provide that any person who is retired and receiving a basic program formula retirement annuity under the articles of incorporation or bylaws of the association, and who has resumed teaching service for the special school district No. 1, is entitled to continue to receive retirement annuity payments except that annuity payments must be reduced in accordance with Minnesota Statutes, section 354A.31, subdivision 3, if the person's income from teaching service is an amount greater than the maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly under the federal old age, survivors, and disability insurance program as set by the Secretary of Health and Human Services under United States Code, title 42, section 403."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 449, A bill for an act relating to retirement; Duluth teachers retirement fund association and St. Paul teachers retirement fund association; proposing coding for new law in Minnesota Statutes, chapter 354A; repealing Laws 1985, chapter 259, sections 2 and 3; and Laws 1990, chapter 570, article 7, section 4.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Olson, E.	Skoglund
Anderson, I.	Garcia	Koppendrayer	Olson, K.	Smith
Anderson, R. H.	Goodno	Krinkie	Omman	Solberg
Battaglia	Goodfield	Krueger	Omnen	Sparby
Bauerly	Gruenes	Lasley	Orenstein	Stanius
Beard	Gutknecht	Leppik	Orfield	Steensma
Begich	Hanson	Lieder	Osthoff	Swenson
Bertram	Hartle	Limmer	Ostrom	Thompson
Bettermann	Hasskamp	Long	Ozment	Tompkins
Bishop	Hausman	Lourey	Pauly	Trimble
Blatz	Heir	Lynch	Pellow	Tunheim
Bodahl	Henry	Macklin	Pelowski	Uphus
Boo	Hufnagle	Mariani	Peterson	Valento
Brown	Hugoson	Marsh	Pugh	Vellenga
Carlson	Jacobs	McEachern	Reding	Wagenius
Carruthers	Janezich	McGuire	Rest	Waltman
Clark	Jaros	McPherson	Rodosovich	Weaver
Cooper	Jefferson	Milbert	Rukavina	Wejzman
Dauner	Jennings	Morrison	Runbeck	Welle
Davids	Johnson, A.	Munger	Sarna	Wenzel
Dawkins	Johnson, R.	Murphy	Schafer	Winter
Dempsey	Johnson, V.	Nelson, K.	Scheid	Spk. Vanasek
Dille	Kahn	Nelson, S.	Schreiber	
Dorn	Kalis	Newinski	Seaberg	
Erhardt	Kelso	O'Connor	Segal	
Farrell	Kinkel	Olsen, S.	Simoneau	

Those who voted in the negative were:

Frerichs	Girard	Haukoos	Sviggum	Welker
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The bill was passed, as amended, and its title agreed to.

S. F. No. 83, A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands bordering public water in Clay and Cottonwood counties.

The bill was read for the third time and placed upon its final passage.

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

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Olson, E.	Skoglund
Anderson, I.	Garcia	Knickerbocker	Olson, K.	Smith
Anderson, R. H.	Girard	Koppendraye	Omann	Solberg
Battaglia	Goodno	Krinkie	Onnen	Sparby
Bauerly	Greenfield	Krueger	Orenstein	Stanius
Beard	Gruenes	Lasley	Orfield	Steensma
Begich	<i>Gutknecht</i>	Leppik	Osthoff	Sviggum
Bertram	Hanson	Lieder	Ostrom	Swenson
Bettermann	Hartle	Limmer	Ozment	Thompson
Bishop	Hasskamp	Long	Pauly	Tompkins
Blatz	Haukoos	Lourey	Pellow	Trimble
Bodahl	Hausman	Lynch	Pelowski	Tunheim
Boo	Heir	Macklin	Peterson	Uphus
Brown	Henry	Mariani	Pugh	Valento
Carlson	Hufnagle	Marsh	Reding	Vellenga
Carruthers	Hugoson	McEachern	Rest	Wagenius
Clark	Jacobs	McGuire	Rice	Waltman
Cooper	Janezich	McPherson	Rodosovich	Weaver
Dauner	Jaros	Milbert	Rukavina	Wejeman
Davids	Jefferson	Morrison	Runbeck	Welker
Dawkins	Jennings	Munger	Sarta	Welle
Dempsey	Johnson, A.	Murphy	Schafer	Wenzel
Dille	Johnson, R.	Nelson, K.	Scheid	Winter
Dorn	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Erhardt	Kahn	Newinski	Seaberg	
Farrell	Kalis	O'Connor	Segui	
Frederick	Kelso	Olsen, S.	Simoneau	

The bill was passed and its title agreed to.

S. F. No. 268 was reported to the House.

S. F. No. 268 was read for the third time.

MOTION FOR RECONSIDERATION

Bishop moved that the action whereby S. F. No. 268 was given its third reading be now reconsidered. The motion did not prevail.

S. F. No. 268, A bill for an act relating to human rights; lengthening the statute of limitations for human rights act violations; amending Minnesota Statutes 1990, sections 363.06, subdivision 3; and 363.116.

The bill was placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 69 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Garcia	Kinkel	Nelson, K.	Scheid
Battaglia	Goodno	Krueger	O'Connor	Segal
Bauerly	Greenfield	Lasley	Olson, K.	Simoneau
Beard	Hanson	Leppik	Onnen	Skoglund
Begich	Hausman	Limmer	Orenstein	Solberg
Blatz	Henry	Long	Orfield	Thompson
Bodahl	Jacobs	Lourey	Osthoff	Trimble
Brown	Janezich	Lynch	Pugh	Tunheim
Carlson	Jaros	Mariani	Reding	Vellenga
Carruthers	Jefferson	McEachern	Rest	Wagemius
Clark	Johnson, A.	McGuire	Rice	Wejzman
Dauner	Johnson, R.	Milbert	Rodosovich	Welle
Dawkins	Kahn	Munger	Rukavina	Spk. Vanasek
Farrell	Kelso	Murphy	Sarna	

Those who voted in the negative were:

Abrams	Frerichs	Knickerbocker	Pauly	Swenson
Anderson, R. H.	Girard	Koppendrayer	Pellow	Tompkins
Bertram	Gruenes	Krunkie	Pelowski	Uphus
Bettermann	Gutknecht	Lieder	Peterson	Valento
Bishop	Hartle	Marsh	Runbeck	Waltman
Boo	Hasskamp	McPherson	Schafer	Weaver
Cooper	Haukoos	Morrison	Schreiber	Welker
Davids	Heir	Nelson, S.	Seaberg	Wenzel
Dempey	Hufnagle	Newinski	Smith	Winter
Dille	Hugoson	Olson, E.	Sparby	
Dorn	Jennings	Omann	Stanius	
Erhardt	Johnson, V.	Ostrom	Steensma	
Frederick	Kalis	Ozment	Sviggum	

The bill was passed and its title agreed to.

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

H. F. No. 1114 was reported to the House.

Kahn moved to amend H. F. No. 1114, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 15.0597, is amended by adding a subdivision to read:

Subd. 5a. [GENDER BALANCE.] The membership of an agency whose vacancies are filled under this section must be gender balanced. In determining gender balance, ex officio membership positions must be excluded. No person of the overrepresented gender may be appointed or reappointed to a vacant agency position if after the appointment or reappointment the number of members of one gender would be greater than:

(1) one-half the membership plus one, in the case of an agency with an odd number of members; or

(2) one-half the membership, in the case of an agency with an even number of members.

If there is more than one appointing authority for an agency, the appointing authorities shall consult each other to ensure compliance with this subdivision. In addition, appointing authorities shall endeavor to ensure that the membership of agencies governed by this section reflect racial, ethnic, and socioeconomic diversity to the extent possible.

Sec. 2. Minnesota Statutes 1990, section 15.0597, is amended by adding a subdivision to read:

Subd. 5b. [DEVIATION.] Notwithstanding section 1, persons of an underrepresented gender may constitute less than half of the membership of an agency if the agency certifies to the secretary of state that:

(1) the agency serves the needs or addresses the concerns of a specific gender-defined population; or

(2) after a good faith effort to achieve gender balance in accordance with section 1, the appointing authority has been unable to find enough persons of the underrepresented gender who are qualified and willing to accept appointment.

Sec. 3. [TOTAL AGENCY MEMBERSHIP.]

Appointing authorities, in cooperation with one another, shall make a good faith effort to ensure that, to the greatest extent possible, the membership of all agencies, considered together, is gender balanced.

Sec. 4. [REPEALER.]

Sections 2 and 3 are repealed on June 30, 1995.

Sec. 5. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1991, and applies to agency positions becoming vacant on or after that date. Sections 1, 2, and 3 do not require displacement of a person who is an incumbent agency member on the effective dates of those sections until the person's current term expires."

Delete the title and insert:

"A bill for an act relating to state government; providing for

gender balance in multimember agencies; amending Minnesota Statutes 1990, section 15.0597, by adding subdivisions.”

The motion prevailed and the amendment was adopted.

Scheid, Hasskamp, Blatz, Pauly, Morrison and Henry moved to amend H. F. No. 1114, as amended, as follows:

Page 2, line 18, delete “July 1, 1991” and insert “January 1, 1992”

The motion prevailed and the amendment was adopted.

H. F. No. 1114, A bill for an act relating to state government; providing for gender balance in multimember agencies; amending Minnesota Statutes 1990, section 15.0597, 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 72 yeas and 55 nays as follows:

Those who voted in the affirmative were:

Abrams	Hanson	Lasley	Olson, E.	Skoglund
Anderson, I.	Hasskamp	Leppik	Olson, K.	Solberg
Battaglia	Hausman	Lieder	Orenstein	Steensma
Bauerly	Jacobs	Long	Orfield	Trimble
Carlson	Janezich	Lourey	Pelowski	Tunheim
Clark	Jaros	Mariani	Pugh	Vellenga
Cooper	Jefferson	McGuire	Reding	Wagenius
Dawkins	Jennings	Milbert	Rest	Wejzman
Dorn	Johnson, A.	Munger	Rice	Welle
Erhardt	Johnson, R.	Murphy	Rodosovich	Wenzel
Farrell	Kahn	Nelson, K.	Rukavina	Winter
Garcia	Kalis	Newinski	Runbeck	Spk. Vanasek
Goodno	Kelso	O'Connor	Sarna	
Greenfield	Kinkel	Ogren	Segal	
Gruenes	Krueger	Olsen, S.	Simoneau	

Those who voted in the negative were:

Anderson, R. H.	Dille	Johnson, V.	Omann	Smith
Begich	Frederick	Knickerbocker	Onnen	Stanius
Bertram	Frerichs	Koppendrayer	Osthoff	Sviggum
Bettermann	Girard	Krinkie	Ostrom	Swenson
Bishop	Gutknecht	Limmer	Ozment	Thompson
Blatz	Hartle	Lynch	Pauly	Tompkins
Bodahl	Haukoos	Macklin	Pellow	Uphus
Boo	Heir	Marsh	Peterson	Valento
Dauner	Henry	McPherson	Scheid	Waltman
Davids	Hufnagle	Morrison	Schreiber	Weaver
Dempsey	Hugoson	Nelson, S.	Seaberg	Welker

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

S. F. No. 109 was reported to the House.

Bauerly moved that S. F. No. 109 be continued on Special Orders. The motion prevailed.

The Speaker resumed the Chair.

S. F. No. 1216, A bill for an act relating to state lands; allowing sales of certain state lands to be held in counties adjacent to the county where the land is located; allowing the commissioner of natural resources to sell certain state lands bordering public waters; transferring state land by private sale to the town board of the town of Lake in Roseau county; amending Minnesota Statutes 1990, sections 92.03, subdivision 1; 92.12, subdivision 4; 92.13; 92.14; 92.67, subdivision 1; and Laws 1986, chapter 449, section 6.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Olson, E.	Smith
Anderson, I.	Garcia	Knickerbocker	Olson, K.	Solberg
Anderson, R. H.	Girard	Koppendrayer	Omann	Sparby
Battaglia	Goodno	Krinkie	Onnen	Stanius
Bauerly	Greenfield	Krueger	Orenstein	Steensma
Beard	Gruenes	Lasley	Orfield	Sviggun
Begich	Gutknecht	Leppik	Osthoff	Swenson
Bertram	Hanson	Lieder	Ostrom	Thompson
Bettermann	Hartle	Limmer	Ozment	Tompkins
Bishop	Hasskamp	Long	Pauly	Trimble
Blatz	Haukoos	Lourey	Pellow	Tunheim
Bodahl	Hausman	Lynch	Pelowski	Uphus
Boo	Heir	Macklin	Peterson	Valento
Brown	Henry	Mariani	Pugh	Vellenga
Carlson	Hufnagle	Marsh	Reding	Wagenius
Carruthers	Hugoson	McEachern	Rest	Waltman
Clark	Jacobs	McGuire	Rice	Weaver
Cooper	Janezich	McPherson	Rodosovich	Wejcmann
Dauner	Jaros	Milbert	Rukavina	Welker
Davids	Jefferson	Morrison	Rumbeck	Welle
Dawkins	Jennings	Munger	Sarna	Wenzel
Dempsey	Johnson, A.	Murphy	Scheid	Winter
Dille	Johnson, R.	Nelson, K.	Schreiber	Spk. Vanasek
Dorn	Johnson, V.	Nelson, S.	Seaberg	
Erhardt	Kahn	Newinski	Segal	
Farrell	Kalis	O'Connor	Simoneau	
Frederick	Kelso	Olsen, S.	Skoglund	

The bill was passed and its title agreed to.

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. 635, A bill for an act relating to elections; authorizing a mail levy referendum; authorizing certain experimental procedures; setting certain redistricting goals and deadlines; authorizing certain actions by voters; limiting certain special elections; setting times and procedures for certain boundary changes; imposing duties on the secretary of state; changing requirements for polling places; appropriating money; amending Minnesota Statutes 1990, sections 124A.03, subdivision 2; 202A.14, subdivision 1; 203B.02, by adding a subdivision; 204B.135; 204B.14, subdivisions 3, 4, and 6, and by adding a subdivision; 204B.16, subdivisions 1 and 2; 204B.45, by adding a subdivision; 205.84, subdivision 2; 205A.12, subdivision 6; and 375.025, subdivisions 2 and 4; proposing coding for new law in Minnesota Statutes, chapter 204B.

Reported the same back with the following amendments:

Page 10, delete section 12

Page 13, line 26, delete "\$....." and insert "\$14,000"

Page 13, line 27, delete "16" and insert "15"

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, lines 14 and 15, delete "204B.45, by adding a subdivision;"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 635 was 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. 181:

Sparby, Jennings and Johnson, V.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 289:

Skoglund, Hartle and Winter.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 702:

Sparby; Nelson, S., and Hugoson.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 887:

Reding, Sparby and Stanius.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1142:

Carruthers, Pugh and Swenson.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 208:

Lasley, Hanson and Runbeck.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 351:

Carruthers, Macklin and Milbert.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 526:

McGuire, Greenfield and Seaberg.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 765:

Lynch, Lasley and Kalis.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 931:

Orfield, Pugh and Ozment.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1295:

Orenstein, McGuire and Valento.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 12:

Skoglund, Winter, Knickerbocker, Hausman and Carruthers.

Bauerly 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.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 525, A bill for an act relating to crimes; expanding the definition of drug free zones to include public housing property; increasing the area affected from within 300 feet to within 1,000 feet of a school or park boundary for purposes of increasing penalties for sale or possession of controlled substances; increasing penalties for sale or possession of methamphetamine ("ice"), amphetamine, and sale of marijuana, within a school zone, park zone, or public housing zone; changing the name and duties of the drug abuse prevention resource council; requiring chemical use assessments of persons convicted of felonies; amending Minnesota Statutes 1990, sections 152.01, subdivisions 12a, 14a, and by adding a subdivision; 152.021, subdivision 1; 152.022, subdivision 1; 152.023, subdivision 2; 152.024, subdivision 1; 152.029; 299A.29, subdivisions 3, 5, and by adding subdivisions; 299A.30; 299A.31, subdivision 1; 299A.32; 299A.34, subdivision 2; 299A.35; 299A.36; and 609.115, by adding a subdivision; repealing Minnesota Statutes 1990, sections 244.095; and 299A.29, subdivisions 2 and 4.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Spear, Cohen, Kelly, McGowan 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

Vellenga 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. 525. 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. 506, A bill for an act relating to lawful gambling; lotteries; providing for teleracing and its operation and regulation; expanding requirements relating to compulsive gambling; exempting lawful gambling profits from the tax on unrelated business income; regulating manufacturers and distributors of gambling

devices; changing certain requirements relating to record keeping, reports, audits, and expenditures of gambling profits by licensed gambling organizations; modifying certain licensing, training, and operating requirements for licensed gambling organizations; changing requirements relating to posting of pull-tab winners; authorizing the director of the lottery to enter into joint lotteries outside the United States; expanding certain provisions relating to lottery retailers; designating certain data on lottery prize winners as private; changing requirements relating to lottery advertising; clarifying the prohibitions on video games of chance and lotteries; authorizing dissemination of information about lotteries conducted by adjoining states; imposing surcharges on lawful gambling premises permit fees; establishing a task force on compulsive gambling assessments; appropriating money; amending Minnesota Statutes 1990, sections 240.01, subdivisions 1, 10, and by adding subdivisions; 240.02, subdivision 3; 240.03; 240.05, subdivision 1; 240.06, subdivision 1; 240.09, subdivision 2; 240.10; 240.11; 240.13, subdivisions 1, 2, 3, 4, 5, 6, and 8; 240.15, subdivision 6; 240.16, subdivision 1a; 240.18; 240.19; 240.23; 240.24, subdivision 2; 240.25; 240.27; 240.28, subdivision 1; 240.29; 245.98, by adding a subdivision; 290.05, subdivision 3; 290.92, subdivision 27; 299L.01, subdivision 1; 349.12, subdivision 25, and by adding subdivisions; 349.15; 349.151, subdivision 4; 349.154, subdivision 2; 349.16, subdivision 3; 349.165, subdivisions 1 and 3; 349.167, subdivisions 1, 2, and 4; 349.17, subdivision 5; 349.172; 349.18, subdivision 1; 349.19, subdivisions 2, 5, 9, and by adding subdivisions; 349A.02, subdivision 3; 349A.06, subdivisions 3, 5, and 11; 349A.08, by adding a subdivision; 349A.09, subdivision 2; 349A.10, subdivision 3; 609.115, by adding a subdivision; 609.75, subdivisions 1, 4, and by adding a subdivision; 609.755; 609.76, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 240; and 299L; repealing Minnesota Statutes 1990, sections 240.01, subdivision 13; 240.13, subdivision 6a; 240.14; subdivision 1a; 349.154, subdivision 3; 349A.02, subdivision 5; and 349A.03, subdivision 3.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Berg; Spear; Johnson, D. E.; McGowan 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

Osthoff 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. 506. 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. 764, A bill for an act relating to public safety; regulating amusement rides; requiring insurance and inspections; providing penalties; proposing coding for new law as Minnesota Statutes, chapter 184B.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Dahl, Dicklich 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

Osthoff 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. 764. 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. 785, A bill for an act relating to financial institutions; permitting interstate banking with additional reciprocating states; amending Minnesota Statutes 1990, section 48.92, subdivision 7.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Cohen, Solon and Larson.

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. 785. 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. 694, A bill for an act relating to the environment; establishing an environmental enforcement account; establishing a field citation pilot project for unauthorized disposal of solid waste; authorizing background investigations of environmental permit applicants; expanding current authority to impose administrative penalties for air and water pollution and solid waste management violations; imposing criminal penalties for knowing violations of standards related to hazardous air pollutants and toxic pollutants in water; providing that certain property is subject to forfeiture in connection with convictions for water pollution and air pollution violations; imposing criminal penalties for unauthorized disposal of solid waste; authorizing prosecution of environmental crimes by the attorney general; providing for environmental restitution as part of a sentence; increasing criminal penalties for false statements on documents related to permits and record keeping; requiring reports; appropriating money; amending Minnesota Statutes 1990, sections 18D.331, subdivision 4; 115.071, by adding a subdivision; 115.072; 115C.05; 116.07, subdivision 4d; 116.072, subdivisions 1, 2, 6, 10, and 11; 609.531, subdivision 1; and 609.671; proposing coding for new law in Minnesota Statutes, chapters 115 and 116.

PATRICK E. FLAHAVEN, Secretary of the Senate

Long moved that the House refuse to concur in the Senate amendments to H. F. No. 694, 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. 977, A bill for an act relating to the environment; prescribing who must prevent, prepare for, and respond to worst case discharges of oil and hazardous substances; describing response plans; authorizing the commissioners of the pollution control agency and departments of agriculture and public safety to order compliance; providing for good samaritan assistance; authorizing coopera-

tion between public and private responders; requiring the establishment of a single answering point system; authorizing citizens advisory groups; providing penalties; amending Minnesota Statutes 1990, section 116.072, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 115E.

PATRICK E. FLAHAVEN, Secretary of the Senate

Simoneau moved that the House refuse to concur in the Senate amendments to H. F. No. 977, 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. 218, A bill for an act relating to occupations and professions; requiring residential building contractors, remodelers, and specialty contractors to be licensed by the state; establishing a builders state advisory council; providing penalties; appropriating money; amending Minnesota Statutes 1990, section 45.027, subdivisions 1, 2, 5, 6, 7, and 8; proposing coding for new law in Minnesota Statutes, chapter 326.

PATRICK E. FLAHAVEN, Secretary of the Senate

Bauerly moved that the House refuse to concur in the Senate amendments to H. F. No. 218, 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. 303, A bill for an act relating to waste management; making changes to state and local government responsibility and authority for waste management; placing emphasis on waste reduc-

tion and recycling; adjusting waste facility siting processes; amending Minnesota Statutes 1990, sections 3.195, subdivision 1; 16B.122; 16B.61, subdivision 3a; 115A.02; 115A.03, subdivision 17a; 115A.06, subdivision 2; 115A.14, subdivision 4; 115A.15, subdivisions 7 and 9; 115A.151; 115A.411, subdivision 1; 115A.46, subdivision 1, and by adding a subdivision; 115A.49; 115A.53; 115A.551, subdivisions 1 and 4; 115A.552, subdivisions 1, 2, and by adding a subdivision; 115A.554; 115A.557, subdivision 4; 115A.64, subdivision 2; 115A.67; 115A.83; 115A.84, subdivision 2; 115A.86, subdivision 5, and by adding a subdivision; 115A.882; 115A.9162, subdivision 2; 115A.919; 115A.923, subdivisions 1 and 1a; 115A.931; 115A.94, subdivision 4; 115A.9561; 115A.96, subdivision 6; 115B.04, subdivision 4; 115B.22, subdivision 8; 116.07, subdivision 4j; 325E.042, subdivision 2; 325E.115, subdivision 1; 325E.1151, subdivision 3; 400.08, subdivision 1; 473.803, subdivision 2; 473.811, subdivisions 1, 3, and 5; 473.823, subdivision 5; 473.845, subdivision 4; 473.848, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 115A; 116; 325E; and 473; repealing Minnesota Statutes 1990, sections 16B.125; 325E.045; and 473.844, subdivision 3; Laws 1989, chapter 325, section 72, subdivision 2.

PATRICK E. FLAHAVER, Secretary of the Senate

Simoneau moved that the House refuse to concur in the Senate amendments to H. F. No. 303, 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.

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1422

A bill for an act relating to workers' compensation; regulating benefits and insurance; establishing a permanent commission on workers' compensation; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 79.252, by adding a subdivision; 176.011, subdivisions 3, 11a, and 18; 176.101, subdivisions 1, 2, and 3f; 176.102, subdivisions 1, 2, 3, 3a, 4, 6, 9, and 11; 176.111, subdivision 18; 176.135, subdivisions 1, 6, and 7; 176.136, subdivisions 1, 2, and by adding subdivisions; 176.155, subdivision 1; 176.645, subdivisions 1 and 2; 176.83, subdivisions 5, 6, and by adding a subdivision; 176A.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 175 and 176; repealing Minnesota Statutes 1990, sections 175.007; and 176.136, subdivision 5; and chapters 79, 175A, and 176.

May 16, 1991

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. 1422, 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. 1422 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
COMPENSATION BENEFITS

Section 1. Minnesota Statutes 1990, section 176.011, subdivision 3, is amended to read:

Subd. 3. [DAILY WAGE.] "Daily wage" means the daily wage of the employee in the employment engaged in at the time of injury but does not include tips and gratuities paid directly to an employee by a customer of the employer and not accounted for by the employee to the employer. If the amount of the daily wage received or to be received by the employee in the employment engaged in at the time of injury was irregular or difficult to determine, or if the employment was part time, the daily wage shall be computed by dividing the total amount the employee actually earned in such employment in the last 26 weeks, by the total number of days in which the employee actually performed any of the duties of such employment, ~~provided further, that. For the purpose of this computation where the wage is irregular or difficult to determine or the employment part time, holiday pay and vacation pay actually received and the corresponding days for which it is paid shall be included in the total amount actually earned and the total days actually performing duties, respectively.~~ In the case of the construction industry, mining industry, or other industry where the hours of work are affected by seasonal conditions, the weekly wage shall not be less than five times the daily wage. Where board or allowances other than tips and gratuities are made to an employee in addition to wages as a part of the wage contract they are deemed a part of earnings and computed at their value to the employee. In the case of persons performing services for municipal corporations in the case of emergency, then the normal working day shall be considered and computed as eight hours, and in cases where such services are performed gratis or

without fixed compensation the daily wage of the person injured shall, for the purpose of calculating compensation payable under this chapter, be taken to be the usual going wage paid for similar services in municipalities where such services are performed by paid employees. If, at the time of injury, the employee was regularly employed by two or more employers, the employee's earnings in all such employments shall be included in the computation of daily wage.

Sec. 2. Minnesota Statutes 1990, 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 voluntary uncompensated worker in the building and construction industry who renders services for joint labor-management nonprofit community service projects. 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) (13) 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) (14) 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) (15) 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)~~ (16) 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)~~ (17) 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)~~ (18) 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)~~ (19) 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)~~ (20) 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)~~ (21) 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;

(21) (22) 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) (23) 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. 3. Minnesota Statutes 1990, section 176.011, subdivision 11a, is amended to read:

Subd. 11a. [FAMILY FARM.] (a) "Family farm" means any farm operation which:

(1) pays or is obligated to pay less than ~~\$8,000~~ \$20,000 in cash wages, exclusive of machine hire, to farm laborers for services rendered during the preceding calendar year; and

(2) has total liability and medical payment coverage equal to \$300,000 and \$5,000, respectively, under a farm liability insurance policy, and the policy covers injuries to farm laborers under clause (1).

(b) For purposes of this subdivision, farm laborer does not include any spouse, parent or child, regardless of age, of a farmer employed by the farmer, or any executive officer of a family farm corporation as defined in section 500.24, subdivision 2, or any spouse, parent or child, regardless of age, of such an officer employed by that family farm corporation, or other farmers in the same community or members of their families exchanging work with the employer. Notwithstanding any law to the contrary, a farm laborer shall not be considered as an independent contractor for the purposes of this chapter; provided that a commercial baler or commercial thresher shall be considered an independent contractor.

Sec. 4. Minnesota Statutes 1990, section 176.011, subdivision 18, is amended to read:

Subd. 18. [WEEKLY WAGE.] "Weekly wage" is arrived at by multiplying the daily wage by the number of days and fractional days normally worked in the business of the employer for the employment involved. If the employee normally works less than five days per week or works an irregular number of days per week, the number of days normally worked shall be computed by dividing the total number of days in which the employee actually performed any of the duties of employment in the last 26 weeks by the number of weeks in which the employee actually performed such duties; ~~provided that. For the purpose of this computation where the employee works less than five days per week or irregularly, holiday pay and vacation pay actually received and the corresponding days for which it is paid shall be included in the total amount actually earned and the total days actually performing duties, respectively.~~ The weekly wage for part time employment during a period of seasonal or temporary layoff shall be computed on the number of days and fractional days normally worked in the business of the employer for the employment involved. If, at the time of the injury, the employee was regularly employed by two or more employers, the employee's days of work for all such employments shall be included in the computation of weekly wage. Occasional overtime is not to be considered in computing the weekly wage, but if overtime is regular or frequent throughout the year it shall be taken into consideration. The maximum weekly compensation payable to an employee, or to the employee's dependents in the event of death, shall not exceed 66 2/3 percent of the product of the daily wage times the number of days normally worked, provided that the compensation payable for permanent partial disability under section 176.101, subdivision 3, and for permanent total disability under section 176.101, subdivision 4, or death under section 176.111, shall not be computed on less than the number of hours normally worked in the employment or industry in which the injury was sustained, subject also to such maximums as are specifically otherwise provided.

Sec. 5. Minnesota Statutes 1990, section 176.101, subdivision 1, is amended to read:

Subdivision 1. [TEMPORARY TOTAL DISABILITY.] For injury producing temporary total disability, the compensation is 66-2/3 percent of the weekly wage at the time of injury,

~~(4) provided that, during the year commencing on October 1, 1979 1991, and each year thereafter, commencing on October 1;~~

(1) the maximum weekly compensation payable is the statewide average weekly wage for the period ending December 31, of the preceding year; provided that, for injuries occurring on or after July 1, 1993, during the year commencing October 1, 1993, and each year

thereafter, the maximum weekly compensation payable is 105 percent of the statewide average weekly wage for the period ending December 31 of the preceding year; and

(2) The minimum weekly compensation benefits for temporary total disability shall be not less than 50 payable for injuries occurring on or after October 1, 1991, is 35 percent of the statewide average weekly wage for the period ending December 31 of the preceding year or the injured employee's actual weekly wage, whichever is less. In no case shall a weekly benefit be less than 20 percent of the statewide average weekly wage.

Subject to subdivisions 3a to 3u this compensation shall be paid during the period of disability, payment to be made at the intervals when the wage was payable, as nearly as may be.

Sec. 6. Minnesota Statutes 1990, section 176.101, subdivision 2, is amended to read:

Subd. 2. [TEMPORARY PARTIAL DISABILITY.] (a) In all cases of temporary partial disability the compensation shall be 66-2/3 percent of the difference between the weekly wage of the employee at the time of injury and the wage the employee is able to earn in the employee's partially disabled condition. This compensation shall be paid during the period of disability except as provided in this section, payment to be made at the intervals when the wage was payable, as nearly as may be, and subject to a the maximum compensation equal to the statewide average weekly wage rate for temporary total compensation.

(b) Except as provided under subdivision 3k, temporary partial compensation may be paid only while the employee is employed, earning less than the employee's weekly wage at the time of the injury, and the reduced wage the employee is able to earn in the employee's partially disabled condition is due to the injury. Except as provided in section 176.102, subdivision 11, paragraph (b), temporary partial compensation may not be paid for more than 260 weeks or after 450 weeks after the date of injury, whichever occurs first.

(c) Temporary partial compensation may not exceed the maximum rate for temporary total compensation and must be reduced to the extent that the wage the employee is able to earn in the employee's partially disabled condition plus the temporary partial disability payment otherwise payable under this subdivision exceeds 500 percent of the statewide average weekly wage.

Sec. 7. Minnesota Statutes 1990, section 176.101, subdivision 3f, is amended to read:

Subd. 3f. [LIGHT-DUTY JOB PRIOR TO THE END OF TEMPORARY TOTAL COMPENSATION.] (a) If the employer offers a job prior to the end of the 90-day period referred to in subdivision 3e, paragraph (a) and the job is consistent with an approved plan of rehabilitation or if no rehabilitation plan has been approved and the job is within the employee's physical limitations; or the employer procures a job for the employee with another employer which meets the requirements of this subdivision; or the employee accepts a job with another employer which meets the requirements of this subdivision, the employee's temporary total compensation shall cease. In this case the employee shall receive impairment compensation for the permanent partial disability which is ascertainable at that time. This impairment compensation shall be paid at the same rate that temporary total compensation was last paid. Upon the end of temporary total compensation under subdivision 3e, paragraph (a), the provisions of subdivision 3e or 3p apply, whichever is appropriate, and economic recovery compensation or impairment compensation is payable accordingly except that the compensation shall be offset by impairment compensation received under this subdivision.

(b) If an employee accepts a job under paragraph (a), begins work at that job, and is subsequently unemployed at that job through no fault of the employee, that employee shall receive temporary total compensation, subject to the provisions of subdivision 3e or paragraph (a), as may be applicable. In addition, the employer who was the employer at the time of the injury shall provide rehabilitation consultation by a qualified rehabilitation consultant if the employee remains unemployed for 45 calendar days. The commissioner may waive this rehabilitation consultation if the commissioner determines that rehabilitation is unnecessary. Further rehabilitation, if considered appropriate, is subject to section 176.102.

Sec. 8. Minnesota Statutes 1990, section 176.102, subdivision 11, is amended to read:

Subd. 11. [RETRAINING; COMPENSATION.] (a) Retraining is limited to 156 weeks. An employee who has been approved for retraining may petition ~~the commissioner~~ for additional compensation not to exceed 25 percent of the compensation otherwise payable. If the commissioner or compensation judge determines that this additional compensation is warranted due to unusual or unique circumstances of the employee's retraining plan, the commissioner or compensation judge may award additional compensation in an amount ~~the commissioner determines is appropriate~~, not to exceed the employee's request. This additional compensation shall cease at any time the commissioner or compensation judge determines the special circumstances are no longer present.

(b) If the employee is not employed during a retraining plan that has been specifically approved under this section, temporary total compensation is payable for up to 90 days after the end of the

retraining plan; except that, payment during the 90-day period is subject to cessation in accordance with section 176.101. If the employee is employed during the retraining plan but earning less than at the time of injury, temporary partial compensation is payable at the rate of $66\frac{2}{3}$ percent of the difference between the employee's weekly wage at the time of injury and the weekly wage the employee is able to earn in the employee's partially disabled condition, subject to the maximum rate for temporary total compensation. Temporary partial compensation is not subject to the 260-week or 450-week limitations provided by section 176.101, subdivision 2, during the retraining plan, but is subject to those limitations before and after the plan.

Sec. 9. Minnesota Statutes 1990, section 176.111, subdivision 18, is amended to read:

Subd. 18. [BURIAL EXPENSE.] In all cases where death results to an employee from a personal injury arising out of and in the course of employment, the employer shall pay the expense of burial, not exceeding in amount ~~\$2,500~~ \$7,500. In case any dispute arises as to the reasonable value of the services rendered in connection with the burial, its reasonable value shall be determined and approved by the commissioner, a compensation judge, or workers' compensation court of appeals, in cases upon appeal, before payment, after reasonable notice to interested parties as is required by the commissioner. If the deceased leaves no dependents, no compensation is payable, except as provided by this chapter.

Sec. 10. Minnesota Statutes 1990, section 176.645, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] For injuries occurring after October 1, 1975 for which benefits are payable under section 176.101, subdivisions 1, 2 and 4, and section 176.111, subdivision 5, the total benefits due the employee or any dependents shall be adjusted in accordance with this section. On October 1, 1981, and thereafter on the anniversary of the date of the employee's injury the total benefits due shall be adjusted by multiplying the total benefits due prior to each adjustment by a fraction, the denominator of which is the statewide average weekly wage for December 31, of the year two years previous to the adjustment and the numerator of which is the statewide average weekly wage for December 31, of the year previous to the adjustment. For injuries occurring after October 1, 1975, all adjustments provided for in this section shall be included in computing any benefit due under this section. Any limitations of amounts due for daily or weekly compensation under this chapter shall not apply to adjustments made under this section. No adjustment increase made on or after October 1, 1977 ~~or thereafter~~ but prior to October 1, 1991, under this section shall exceed six percent a year; in those instances where the adjustment under the formula of this section would exceed this maximum, the increase shall be

deemed to be six percent. No adjustment increase made on October 1, 1991, or thereafter under this section shall exceed four percent a year; in those instances where the adjustment under the formula of this section would exceed this maximum, the increase shall be deemed to be four percent.

Sec. 11. Minnesota Statutes 1990, section 176.645, subdivision 2, is amended to read:

Subd. 2. [TIME OF FIRST ADJUSTMENT.] For injuries occurring on or after October 1, 1981, the initial adjustment made pursuant to subdivision 1 ~~shall be~~ is deferred until the first anniversary of the date of the injury. For injuries occurring on or after October 1, 1991, the initial adjustment under subdivision 1 is deferred until the second anniversary of the date of injury.

Sec. 12. [EFFECTIVE DATE.]

This article is effective October 1, 1991.

ARTICLE 2

MEDICAL AND REHABILITATION

Section 1. Minnesota Statutes 1990, section 176.102, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] (a) This section only applies to vocational rehabilitation of injured employees and their spouses as provided under subdivision 1a. Physical rehabilitation of injured employees is considered treatment subject to section 176.135.

~~(b) Rehabilitation is intended to restore the injured employee, through physical and vocational rehabilitation, so the employee may return to a job related to the employee's former employment or to a job in another work area which produces an economic status as close as possible to that the employee would have enjoyed without disability. Rehabilitation to a job with a higher economic status than would have occurred without disability is permitted if it can be demonstrated that this rehabilitation is necessary to increase the likelihood of reemployment. Economic status is to be measured not only by opportunity for immediate income but also by opportunity for future income.~~

Sec. 2. Minnesota Statutes 1990, section 176.102, subdivision 1a, is amended to read:

Subd. 1a. [SURVIVING SPOUSE.] Upon the request of a qualified dependent surviving spouse, rehabilitation services shall be provided through the rehabilitation services section of the workers'

compensation division. For the purposes of this subdivision a qualified dependent surviving spouse is a dependent surviving spouse, as determined under section 176.111, who is in need of rehabilitation assistance to become self-supporting. A spouse who is provided rehabilitation services under this subdivision is ~~not~~ entitled to compensation under subdivision 11 only if the commissioner or a compensation judge determines retraining is necessary to ensure that when benefits under section 176.111 cease, the surviving spouse is able to be self-supporting and will not become a recipient of a public assistance program administered by the state.

Sec. 3. Minnesota Statutes 1990, section 176.102, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATORS.] The commissioner shall hire a director of rehabilitation services in the classified service. The commissioner shall monitor and supervise rehabilitation services, including, but not limited to, making determinations regarding the selection and delivery of rehabilitation services and the criteria used to approve qualified rehabilitation consultants and rehabilitation vendors. The commissioner may also make determinations regarding fees for rehabilitation services and shall by rule, subject to chapter 14, establish a fee schedule or otherwise limit fees charged by qualified rehabilitation consultants and vendors. The commissioner may hire qualified personnel to assist in the commissioner's duties under this section and may delegate the duties and performance.

Sec. 4. Minnesota Statutes 1990, section 176.102, subdivision 3, is amended to read:

Subd. 3. [REVIEW PANEL.] There is created a rehabilitation review panel composed of the commissioner or a designee, who shall serve as an ex officio member, and ~~two three~~ three members each from ~~who shall represent both employers, and insurers, rehabilitation, and medicine,~~ one member representing chiropractors, and four ~~one~~ member representing medical doctors, three members representing labor, two members representing rehabilitation vendors, and five members representing qualified rehabilitation consultants. The members shall be appointed by the commissioner and shall serve four-year terms which may be renewed. Compensation for members shall be governed by section 15.0575. The panel shall select a chair. The panel shall review and make a determination with respect to appeals from orders of the commissioner regarding certification approval of qualified rehabilitation consultants and vendors. The hearings are de novo and initiated by the panel under the contested case procedures of chapter 14, and are appealable to the workers' compensation court of appeals in the manner provided by section 176.421.

Sec. 5. Minnesota Statutes 1990, section 176.102, subdivision 3a, is amended to read:

Subd. 3a. [DISCIPLINARY ACTIONS.] The panel has authority to discipline qualified rehabilitation consultants and vendors and may impose a penalty of up to \$1,000 per violation, and may suspend or revoke certification. Complaints against registered qualified rehabilitation consultants and vendors shall be made to the commissioner who shall investigate all complaints. If the investigation indicates a violation of this chapter or rules adopted under this chapter, the commissioner may initiate a contested case proceeding under the provisions of chapter 14. In these cases, the rehabilitation review panel shall make the final decision following receipt of the report of an administrative law judge. The decision of the panel is appealable to the workers' compensation court of appeals in the manner provided by section 176.421. The panel shall continuously study rehabilitation services and delivery, develop and recommend rehabilitation rules to the commissioner, and assist the commissioner in accomplishing public education.

~~The commissioner may appoint alternates for one-year terms to serve as a member when a member is unavailable. The number of alternates shall not exceed one labor member, one employer or insurer member, and one member representing medicine, chiropractic, or rehabilitation.~~

Sec. 6. Minnesota Statutes 1990, section 176.102, subdivision 4, is amended to read:

Subd. 4. [REHABILITATION PLAN; DEVELOPMENT.] (a) ~~An employer or insurer shall provide rehabilitation consultation by a qualified rehabilitation consultant or by another person permitted by rule to provide consultation to an injured employee within five days after the employee has 60 days of lost work time due to the personal injury, except as otherwise provided in this subdivision. Where an employee has incurred an injury to the back, the consultation shall be made within five days after the employee has 30 days of lost work time due to the injury. The lost work time in either case may be intermittent lost work time. If an employer or insurer has medical information at any time prior to the time specified in this subdivision that the employee will be unable to return to the job the employee held at the time of the injury rehabilitation consultation shall be provided immediately after receipt of this information.~~

For purposes of this section "lost work time" means only those days during which the employee would actually be working but for the injury. In the case of the construction industry, mining industry, or other industry where the hours and days of work are affected by seasonal conditions, "lost work time" shall be computed by using the normal schedule worked when employees are working full time. A rehabilitation consultation must be provided by the employer to an

injured employee upon request of the employee, the employer, or the commissioner. If a rehabilitation consultation is requested, the employer shall provide a qualified rehabilitation consultant. If the injured employee objects to the employer's selection, the employee may select a qualified rehabilitation consultant of the employee's own choosing within 30 days following the first in-person contact between the employee and the original qualified rehabilitation consultant. If the consultation indicates that rehabilitation services are appropriate under subdivision 1, the employer shall provide the services. If the consultation indicates that rehabilitation services are not appropriate under subdivision 1, the employer shall notify the employee of this determination within seven days after the consultation.

(b) In order to assist the commissioner in determining whether or not to request rehabilitation consultation for an injured employee, an employer shall notify the commissioner whenever the employee's temporary total disability will likely exceed 13 weeks. The notification must be made within 90 days from the date of the injury or when the likelihood of at least a 13-week disability can be determined, whichever is earlier, and must include a current physician's report. The employer or insurer must notify the employee by certified mail of the right to rehabilitation consultation services within 90 days after the injury if the employee has not returned to work. The commissioner shall impose a reasonable fine on an employer or insurer that fails to notify the employee under this section.

(c) The qualified rehabilitation consultant appointed by the employer or insurer shall disclose in writing at the first meeting or written communication with the employee any ownership interest or affiliation between the firm which employs the qualified rehabilitation consultant and the employer, insurer, adjusting or servicing company, including the nature and extent of the affiliation or interest. The consultant shall also disclose to all parties any affiliation, business referral or other arrangement between the consultant or the firm employing the consultant and any other party to, attorney, or health care provider involved in the case, including any attorneys, doctors, or chiropractors.

If the employee objects to the employer's selection of a qualified rehabilitation consultant, the employee shall notify the employer and the commissioner in writing of the objection. The notification shall include the name, address, and telephone number of the qualified rehabilitation consultant chosen by the employee to provide rehabilitation consultation.

(d) After the initial provision or selection of a qualified rehabilitation consultant as provided under paragraph (a), the employee may choose a different qualified rehabilitation consultant as follows:

(1) once during the first ~~60~~ 30 days following ~~the first in-person contact between the employee and the original consultant;~~

(2) once after the ~~60-day~~ period referred to in clause (1); and

(3) subsequent requests receipt by the employee of the rehabilitation plan developed under paragraph (e). Thereafter, the employee may request a different qualified rehabilitation consultant which shall be determined granted or denied by the commissioner or compensation judge according to the best interests of the parties.

(e) The employee and employer shall enter into a program if one is prescribed in develop a rehabilitation plan within 30 days of the rehabilitation consultation if the qualified rehabilitation consultant determines that rehabilitation is appropriate. A copy of the plan, including a target date for return to work, shall be submitted to the commissioner within 30 days after the plan has been developed.

(b) (f) If the employer does not provide rehabilitation consultation, or the employee does not select a qualified rehabilitation consultant, as required by this section provided in paragraph (a), the commissioner or compensation judge shall notify the employer that if the employer fails to appoint provide, or the employee fails to select, whichever is applicable, a qualified rehabilitation consultant or other persons as permitted by clause (a) within 15 days to conduct a rehabilitation consultation, the commissioner or compensation judge shall appoint a qualified rehabilitation consultant to provide the consultation at the expense of the employer unless the commissioner or compensation judge determines the consultation is not required.

(e) (g) In developing a rehabilitation plan consideration shall be given to the employee's qualifications, including but not limited to age, education, previous work history, interest, transferable skills, and present and future labor market conditions.

(d) (h) The commissioner or compensation judge may waive rehabilitation services under this section if the commissioner or compensation judge is satisfied that the employee will return to work in the near future or that rehabilitation services will not be useful in returning an employee to work.

Sec. 7. Minnesota Statutes 1990, section 176.102, subdivision 6, is amended to read:

Subd. 6. [PLAN, ELIGIBILITY FOR REHABILITATION, APPROVAL AND APPEAL.] The commissioner or a compensation judge shall determine eligibility for rehabilitation services and shall review, approve, modify, or reject rehabilitation plans developed under subdivision 4. The commissioner or a compensation judge

shall also make determinations regarding rehabilitation issues not necessarily part of a plan including, but not limited to, determinations regarding whether an employee is eligible for further rehabilitation and the benefits under subdivisions 9 and 11 to which an employee is entitled. A plan that is not completed within six months or after \$5,000 has been paid in rehabilitation benefits shall be specifically monitored by the commissioner. The commissioner shall review the progress of the plan and may take actions including, but not limited to, redirecting, amending, suspending, or terminating the plan. Activity under the plan shall not be discontinued solely because the plan is under review by the commissioner.

Sec. 8. Minnesota Statutes 1990, section 176.102, subdivision 9, is amended to read:

Subd. 9. [PLAN, COSTS.] An employer is liable for the following rehabilitation expenses under this section:

- (a) Cost of rehabilitation evaluation and preparation of a plan;
- (b) Cost of all rehabilitation services and supplies necessary for implementation of the plan;
- (c) Reasonable cost of tuition, books, travel, and custodial day care; and, in addition, reasonable costs of board and lodging when rehabilitation requires residence away from the employee's customary residence;
- (d) Reasonable costs of travel and custodial day care during the job interview process;
- (e) Reasonable cost for moving expenses of the employee and family if a job is found in a geographic area beyond reasonable commuting distance after a diligent search within the present community. Relocation shall not be paid more than once during any rehabilitation program, and relocation shall not be required if the new job is located within the same standard metropolitan statistical area as the employee's job at the time of injury. An employee shall not be required to relocate and a refusal to relocate shall not result in a suspension or termination of compensation under this chapter; and
- (f) Any other expense agreed to be paid.

Charges for services provided by a rehabilitation consultant or vendor must be submitted on a billing form prescribed by the commissioner. No payment for the services may be made until the charges are submitted on the prescribed form.

Sec. 9. Minnesota Statutes 1990, section 176.106, is amended by adding a subdivision to read:

Subd. 10. [LOCATION OF CONFERENCE.] If personal attendance is required to fully determine issues, all conferences shall be held within 150 miles of the residence of the employee unless the issues do not relate to a dispute with the employee. In the discretion of the workers' compensation division a telephone conference may be ordered.

Sec. 10. Minnesota Statutes 1990, 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, foreign language translation services, 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. Except in an emergency or unless authorized by a compensation judge or the commissioner, treatment under this section must be provided by a health care provider certified by the commissioner and in accordance with standards under section 176.1351, subdivision 6. An employee may receive compensable medical treatment from a health care provider who is not certified under section 176.1351 if the provider maintains the employee's medical records and has a documented history of treatment with the employee; provided that the health care provider agrees to refer the injured employee to a certified managed care provider for any specialized treatment, including physical therapy, to be furnished by another provider that the employee may require, and provided that the health care provider agrees to comply with all the rules regarding service performed by certified managed care providers adopted by the commissioner. A provider who is not eligible for certification may provide treatment only under the direction of or upon referral from a certified provider and in accordance with section 176.1351, subdivision 6.

(b) The employer shall pay for the reasonable value of nursing services provided by a member of the employee's family in cases of permanent total disability.

(c) Exposure to rabies is an injury and an employer shall furnish preventative treatment to employees exposed to rabies.

(d) 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~~ provide the items required to be provided under this section, 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 employer's family in cases of permanent total disability.~~

~~(b)~~ (e) 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. 11. Minnesota Statutes 1990, section 176.135, subdivision 6, is amended to read:

Subd. 6. [COMMENCEMENT OF PAYMENT.] As soon as reasonably possible, and no later than 30 calendar days after receiving the bill, the employer or insurer shall pay the charge or any portion of the charge which is not denied, or deny all or a part of the charge on the basis of excessiveness or noncompensability, or specify the additional data needed, with written notification to the employee and the provider: explaining the basis for denial. All or part of a charge must be denied if any of the following conditions exist:

(1) the injury or condition is not compensable under this chapter;

(2) the charge or service is excessive under this section or section 176.136;

(3) the provider is not enrolled with or certified by the department in accordance with rules adopted under section 176.183;

(4) the charges are not submitted on the prescribed billing form; or

(5) additional medical records or reports are required under subdivision 7 to substantiate the nature of the charge and its relationship to the work injury.

If payment is denied under clause (3), (4), or (5), the employer or insurer shall reconsider the charges in accordance with this subdivision within 30 calendar days after receiving additional medical data, a prescribed billing form, or documentation of enrollment or certification as a provider.

Sec. 12. Minnesota Statutes 1990, section 176.135, subdivision 7, is amended to read:

Subd. 7. [MEDICAL BILLS AND RECORDS.] Health care providers shall submit to the insurer an itemized statement of charges on a billing form prescribed by the commissioner. Health care providers ~~other than hospitals~~ shall also submit copies of medical records or reports that substantiate the nature of the charge and its relationship to the work injury; ~~provided, however, that hospitals must submit any copies of records or reports requested under subdivision 6.~~ Health care providers may charge for copies of any records or reports that are in existence and directly relate to the items for which payment is sought under this chapter. ~~Charges for copies provided under this subdivision shall be reasonable.~~ The commissioner shall adopt a schedule of reasonable charges by ~~emergency rules rule.~~

A health care provider shall not collect, attempt to collect, refer a bill for collection, or commence an action for collection against the employee, employer, or any other party until the information required by this section has been furnished.

Sec. 13. [176.1351] [MANAGED CARE.]

Subdivision 1. [DEFINITION.] Managed care is medical service rendered or coordinated by a health care provider certified by the commissioner to treat injured employees in accordance with standards, procedures, and fees developed by the commissioner under this chapter.

Subd. 2. [ELIGIBILITY.] The commissioner shall develop a network of managed care providers. All health care providers as defined in section 176.011, subdivision 24, and other business entities are eligible for certification and must make written application to the commissioner to become certified to provide managed care to injured employees for injuries and diseases compensable under this chapter. Notwithstanding any other law regulating access to patient care, providers who are not health care providers as defined in section 176.011, subdivision 24, may provide services for those injuries or diseases only under the direction of or upon referral from a certified provider.

After the rules for provider certification have been adopted and are effective, a provider must be certified in accordance with this section, or, if ineligible for certification, must provide services under

the direction of or upon referral from a certified provider in order to receive payment for services rendered under section 176.135. A provider not in compliance with this section may not receive payment or attempt to collect from any source, including the employee, any insurer or self-insured employer, the special compensation fund, or any government program, except that retroactive certification may be permitted pursuant to guidelines established by rule, for up to one year after the service was provided unless otherwise ordered by the commissioner or compensation judge. A list of currently certified providers must be given to all self-insured employers and insurers. The list must be made available to others upon request. Employers shall post in a place easily visible to employees a list of certified health care providers in the area.

Subd. 3. [APPLICATION.] Each application for certification shall be accompanied by a reasonable fee determined by the commissioner to be sufficient to cover the cost of certification. The fee shall be deposited in the special compensation fund. A certificate is valid for the period the commissioner prescribes unless revoked or suspended. The application for certification must be made in the form and manner and set forth information the commissioner may prescribe. The application shall include, but not be limited to:

(a) the name of the health care provider who will provide services, together with appropriate evidence of compliance with any licensing, registration, or certification requirements for the provider to practice in this state;

(b) a description of the place and nature of the medical service to be provided;

(c) a signed acknowledgment form approved by the commissioner that the provider is familiar with and will comply with workers' compensation rules and laws pertaining to the services provided; and

(d) satisfactory evidence of the ability to comply with any requirements in subdivision 4 that the commissioner may prescribe.

Subd. 4. [CERTIFICATION.] Upon receipt of an application that meets the requirements of subdivision 3, the commissioner shall certify the health care provider within 30 days unless the commissioner by rule requires additional conditions for certification, which may include but are not limited to, whether the provider:

(a) proposes to provide services that meet quality, continuity, or other treatment or procedural standards required by the commissioner or this chapter;

(b) proposes to provide services in cooperation with employees,

employers, insurers, and rehabilitation providers to promote workplace health and safety and expedite return to work for injured employees;

(c) provides a timely and accurate method of reporting information prescribed by the commissioner about medical and health care services cost and utilization; and

(d) complies with any other requirement the commissioner determines is necessary to provide quality cost-effective medical services and health care to injured employees.

Subd. 5. [REVOCAION, SUSPENSION, AND REFUSAL TO CERTIFY.] If the commissioner refuses to certify a health care provider or determines certification should be revoked or suspended for a violation of this chapter or rules adopted under this chapter, and the provider disagrees with the commissioner's determination, the provider may appeal to the medical services review board for a hearing with the procedure and right to appeal provided by section 176.103, subdivision 3, paragraph (b). The commissioner may report professional misconduct to an appropriate licensing board.

Subd. 6. [REVIEW.] The commissioner, in consultation with the medical services review board, shall develop utilization review and quality assurance procedures and standards that shall be applied by self-insured employers, insurers, the commissioner, and compensation judges in determining compensability of a medical service under this chapter. These standards and procedures must balance the need for medical cost containment with the need for quality medical care and must be based on accepted medical standards. The commissioner may adopt these standards and procedures by rule.

Subd. 7. [DATA PRIVACY.] Data generated by utilization review or quality assurance activities pursuant to this section including written reports, notes, or records, shall be private and shall not be disclosed or used in any action, suit, or proceeding except in the administration of this chapter.

Subd. 8. [PRIVILEGED COMMUNICATIONS.] A person participating in utilization review or quality assurance activities pursuant to this section shall not be examined about any communication made in the course of the activities or the findings, except in the administration of this chapter, nor shall any person be subject to an action for civil damages for affirmative actions taken or statements made in good faith.

Subd. 9. [MEDICAL RECORDS CONFIDENTIALITY.] This section shall not affect the confidentiality or admission in evidence of a claimant's medical treatment records.

Subd. 10. [RULES.] In addition to rules required by subdivision 6, the commissioner may consult with the commissioners of the department of health, department of commerce, and department of human services, and shall adopt rules necessary to carry out this section. The commissioners of the departments of health, commerce, and human services shall cooperate and consult with the commissioner upon request of the commissioner. The commissioner may contract with any person or organization to assist in the development of standards, procedures, or rules required or authorized by this section.

Sec. 14. Minnesota Statutes 1990, section 176.136, subdivision 1, is amended to read:

Subdivision 1. [SCHEDULE.] (a) The commissioner shall by rule establish procedures for determining whether or not the charge for a health service is excessive. In order to accomplish this purpose, the commissioner shall consult with insurers, associations and organizations representing the medical and other providers of treatment services and other appropriate groups.

(b) The procedures established by the commissioner shall must limit, in accordance with subdivisions 1a and 1b, the charges allowable for medical, chiropractic, podiatric, surgical, hospital and other health care provider treatment or services, as defined and compensable under section 176.135, based upon billings for each class of health care provider during all of the calendar year preceding the year in which the determination is made of the amount to be paid the health care provider for the billing. The procedures established by the commissioner for determining whether or not the charge for a health service is excessive shall must be structured to encourage providers to develop and deliver services for rehabilitation of injured workers. The procedures shall must incorporate the provisions of sections 144.701, 144.702, and 144.703 to the extent that the commissioner finds that these provisions effectively accomplish the intent of this section or are otherwise necessary to insure that quality hospital care is available to injured employees.

Sec. 15. Minnesota Statutes 1990, section 176.136, is amended by adding a subdivision to read:

Subd. 1a. [RELATIVE VALUE FEE SCHEDULE.] The liability of an employer for services included in the medical fee schedule is limited to the maximum fee allowed by the schedule in effect on the date of the medical service, or the provider's actual fee, whichever is lower. The medical fee schedule effective on October 1, 1990, shall remain in effect until the commissioner adopts a new schedule by permanent rule, but may remain in effect no later than June 1, 1993. The commissioner shall adopt permanent rules regulating fees allowable for medical, chiropractic, podiatric, surgical, hospital,

and other health care provider treatment or services by implementing a relative value fee schedule to be effective on October 1, 1992, or as soon thereafter as possible. The schedule shall not apply to fees regulated by subdivision 1b. The conversion factors for the relative value fee schedule must reasonably reflect a 15 percent overall reduction from 1991 charges, based on a sample of the most common services billed in the first three months of 1991 that is large enough to be statistically valid.

After permanent rules have been adopted to implement this section, the conversion factors must be adjusted annually on October 1, by the percentage change in the statewide average weekly wage, as set forth and limited under section 176.645, subdivision 1. The commissioner shall annually give notice in the State Register of the adjusted conversion factors. This notice shall be in lieu of the requirements of chapter 14.

Sec. 16. Minnesota Statutes 1990, section 176.136, is amended by adding a subdivision to read:

Subd. 1b. [LIMITATION OF LIABILITY.] (a) The liability of the employer for treatment, articles, and supplies provided to an employee while an inpatient at a small hospital shall be the hospital's usual and customary charge, unless the charge is determined by the commissioner or a compensation judge to be unreasonably excessive. A "small hospital," for purposes of this paragraph, is a hospital which has 50 or fewer licensed beds, including the licensed beds of all other hospitals owned in common with or otherwise affiliated with it.

(b) The liability of the employer for the treatment, articles, and supplies that are not limited by subdivision 1a or paragraph (a) shall be limited to 80 percent of the provider's usual and customary charge, or 80 percent of the prevailing charges for similar treatment, articles, and supplies furnished to an injured person when paid for by the injured person, whichever is less. On this basis, the commissioner or compensation judge may determine the reasonable value of all treatment, services, and supplies, and the liability to the employer is limited to that amount.

Sec. 17. Minnesota Statutes 1990, section 176.136, subdivision 2, is amended to read:

Subd. 2. [EXCESSIVE FEES.] (a) If the employer or insurer determines that the charge for a health service or medical service is excessive, no payment in excess of the reasonable charge for that service shall be made under this chapter nor may the A provider, including a hospital, may not collect or attempt to collect from the injured employee or any other insurer or government amounts in excess of the amount payable any charge or portion of a charge that is excessive under this chapter unless the commissioner, compensa-

tion judge, or court of appeals determines otherwise. In such a case, the health care provider may initiate an action under this chapter for recovery of the amounts deemed excessive by the employer or insurer, but the employer or insurer shall have the burden of proving excessiveness.

(b) A charge for a health service or medical service is excessive if it is:

(1) in excess of the maximum permissible charge pursuant to this section or section 176.135;

(2) for a service provided at a level, duration, or frequency that is excessive, based upon accepted medical standards for quality health care and accepted rehabilitation standards;

(3) for a service that is outside the scope of practice of the particular provider or is not generally recognized within the particular profession of the provider as of therapeutic value for the specific injury or condition treated; or

(4) otherwise considered excessive or inappropriate pursuant to rules adopted under this chapter.

(c) Where the sole issue in dispute is whether medical fees are excessive, the only parties to the proceeding shall be the health care provider and employer or insurer. The rights of an employee are not affected by a determination under this subdivision.

Sec. 18. Minnesota Statutes 1990, section 176.155, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYER'S PHYSICIAN.] The injured employee must submit to examination by the employer's physician, if requested by the employer, and at reasonable times thereafter upon the employer's request. The examination must be scheduled at a location within 150 miles of the employee's residence unless the employer can show cause to the department to order an examination at a location further from the employee's residence. The employee is entitled upon request to have a personal physician present at any such examination. Each party shall defray the cost of that party's physician. Any report or written statement made by the employer's physician as a result of an examination of the employee, regardless of whether the examination preceded the injury or was made subsequent to the injury, shall be made available, upon request and without charge, to the injured employee or representative of the employee. The employer shall pay reasonable travel expenses incurred by the employee in attending the examination including mileage, parking, and, if necessary, lodging and meals. The employer shall also pay the employee for any lost wages resulting from

attendance at the examination. A self-insured employer or insurer who is served with a claim petition pursuant to section 176.271, subdivision 1, or 176.291, shall schedule any necessary examinations of the employee, if an examination by the employer's physician or health care provider is necessary to evaluate benefits claimed. The examination shall be completed and the report of the examination shall be served on the employee and filed with the commissioner within 120 days of service of the claim petition.

No evidence relating to the examination or report shall be received or considered by the commissioner, a compensation judge, or the court of appeals in determining any issues unless the report has been served and filed as required by this section, unless a written extension has been granted by the commissioner or compensation judge. The commissioner or a compensation judge shall extend the time for completing the adverse examination and filing the report upon good cause shown. The extension must not be for the purpose of delay and the insurer must make a good faith effort to comply with this subdivision. Good cause shall include but is not limited to:

(1) that the extension is necessary because of the limited number of physicians or health care providers available with expertise in the particular injury or disease, or that the extension is necessary due to the complexity of the medical issues, or

(2) that the extension is necessary to gather additional information which was not included on the petition as required by section 176.291.

Sec. 19. Minnesota Statutes 1990, section 176.155, is amended by adding a subdivision to read:

Subd. 2a. [EXAMINATION FEES.] The commissioner, after consultation with the medical services review board, shall adopt rules establishing a single fee schedule for examinations under this section.

Sec. 20. Minnesota Statutes 1990, section 176.83, subdivision 5, is amended to read:

Subd. 5. [EXCESSIVE MEDICAL SERVICES.] In consultation with the medical services review board or the rehabilitation review panel, rules establishing standards and procedures for determining whether a provider of health care services and rehabilitation services, including a provider of medical, chiropractic, podiatric, surgical, hospital or other services, is performing procedures or providing services at a level or with a frequency that is excessive, based upon accepted medical standards for quality health care and accepted rehabilitation standards.

If it is determined by the payer that the level, frequency or cost of a procedure or service of a provider is excessive according to the standards established by the rules, the provider shall not be paid for the excessive procedure, service, or cost by an insurer, self-insurer, or group self-insurer, and the provider shall not be reimbursed or attempt to collect reimbursement for the excessive procedure, service, or cost from any other source, including the employee, another insurer, the special compensation fund; or any government program unless the commissioner or compensation judge determines at a hearing or administrative conference that the level, frequency, or cost was not excessive in which case the insurer, self-insurer, or group self-insurer shall make the payment deemed reasonable.

A health or rehabilitation provider who is determined by the rehabilitation review panel or medical services review board, after hearing, to be consistently performing procedures or providing services at an excessive level or cost may be prohibited from receiving any further reimbursement for procedures or services provided under this chapter. A prohibition imposed on a provider under this subdivision may be grounds for revocation or suspension of the provider's license or certificate of registration to provide health care or rehabilitation service in Minnesota by the appropriate licensing or certifying body.

~~The rules adopted under this subdivision shall require insurers, self-insurers, and group self-insurers to report medical and other data necessary to implement the procedures required by this clause.~~

Sec. 21. Minnesota Statutes 1990, section 176.83, is amended by adding a subdivision to read:

Subd. 5a. [REPORTING.] Rules requiring insurers, self-insurers, and group self-insurers to report medical and other data necessary to implement the procedures required by this chapter.

Sec. 22. Minnesota Statutes 1990, section 176.83, subdivision 6, is amended to read:

Subd. 6. [CERTIFICATION OR ENROLLMENT OF MEDICAL PROVIDERS.] Rules establishing procedures and standards for the certification or enrollment of physicians, chiropractors, osteopaths, podiatrists, and other health care providers, which may include other business entities providing health care services, in order to assure the coordination of treatment, rehabilitation, and other services and requirements of chapter 176 for carrying out the purposes and intent of this chapter.

After the rules for provider enrollment have been promulgated, a provider must be enrolled in accordance with the rules to receive payment for services rendered under section 176.135. An unenrolled provider may not receive payment or attempt to collect from any

source, including the employee, any insurer or self-insured employer, the special compensation fund, or any government program. Retroactive enrollment must be permitted pursuant to guidelines established by rule. The rules must provide an exception to the enrollment requirement in the case of the provision of emergency medical treatment. A list of currently enrolled providers must be given to all self-insured employers and insurers. The list must be made available to others upon request.

Sec. 23. [REPEALER.]

Minnesota Statutes 1990, section 176.136, subdivision 5, is repealed.

Sec. 24. [EFFECTIVE DATE.]

Sections 1 to 12 and 14 to 23 are effective October 1, 1991. Section 13 is effective July 1, 1992, except that the authority to adopt rules granted by subdivisions 6 and 10 is effective the day following final enactment.

ARTICLE 3 INSURANCE

Section 1. Minnesota Statutes 1990, section 79.252, is amended by adding a subdivision to read:

Subd. 6. [COVERAGE OUTSIDE STATE.] Policies issued by the assigned risk plan pursuant to this chapter may also provide workers' compensation coverage required under the laws of states other than Minnesota, including coverages commonly known as "all states coverage." The commissioner, on behalf of the assigned risk plan, may apply for and obtain any licensure required in any other state to issue that coverage.

Sec. 2. Minnesota Statutes 1990, section 176.185, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF COVERAGE, TERMINATION, CANCELLATION.] (a) Within ten days after the issuance of a policy of insurance covering the liability to pay compensation under this chapter written by an insurer licensed to insure such liability in this state, the insurer shall file notice of coverage with the commissioner under rules and on forms prescribed by the commissioner. No policy shall be canceled by the insurer within the policy period nor terminated upon its expiration date until a notice in writing is delivered or mailed to the insured and filed with the commissioner, fixing the date on which it is proposed to cancel it, or declaring that the insurer does not intend to renew the policy upon the expiration

date. A cancellation or termination is not effective until 30 days after written notice has been filed with the commissioner in a manner prescribed by the commissioner unless prior to the expiration of the 30-day period the employer obtains other insurance coverage or an order exempting the employer from carrying insurance as provided in section 176.181. Upon receipt of the notice, the commissioner shall notify the insured that the insured must obtain coverage from some other licensed carrier and that, if unable to do so, the insured shall request the commissioner of commerce to require the issuance of a policy as provided in section 79.251, subdivision 4. Upon a cancellation or termination of a policy by the insurer, the employer is entitled to be assigned a policy in accordance with sections 79.251 and 79.252.

(b) Notice of cancellation or termination by the insured shall be served upon the insurer by written statement mailed or delivered to the insurer. Upon receipt of the notice, the insurer shall notify the commissioner of the cancellation or termination and the commissioner shall ask the employer for the reasons for the cancellation or termination and notify the employer of the duty under this chapter to insure the employer's employees.

(c) In addition to the requirements under paragraphs (a) and (b), with respect to any trucker employer in classification 7219, 7230, 7231, or 7360, or 8293 pursuant to the classification plan required to be filed under section 79.61, if the insurer or its agent has delivered or mailed a written certificate of insurance certifying that a policy in the name of a trucker employer under this paragraph is in force, then the insurer or its agent shall also deliver or mail written notice of any midterm cancellation to the trucker employer recipient of the certificate of insurance at the address listed on the certificate. If an insurer or its agent fails to mail or deliver notice of any midterm cancellation of the trucker employer's policy to the trucker employer recipient of the certificate of insurance, then the special compensation fund shall indemnify and hold harmless the recipient from any award of benefits or other damages under this chapter resulting from the failure to give notice.

Sec. 3. Minnesota Statutes 1990, section 176A.03, is amended by adding a subdivision to read:

Subd. 3. [COVERAGE OUTSIDE STATE.] Policies issued by the fund pursuant to this chapter may also provide workers' compensation coverage required under the laws of states other than Minnesota, including coverages commonly known as "all states coverage." The fund may apply for and obtain any licensure required in any other state in order to issue such coverage.

Sec. 4. [MANDATED REDUCTIONS.]

(a) As a result of the workers' compensation law changes in this

act and the resulting savings to the costs of Minnesota's workers' compensation system, an insurer's approved schedule of rates in effect on October 1, 1991, must be reduced by 12 percent and applied by the insurer to all policies issued, renewed, or outstanding on or after that date. An insurer may not adjust its filed rating plan to recoup the 12 percent mandated rate reduction under this section. The reduction must be computed on the basis of a 12 percent premium reduction prorated from October 1, 1991, to the expiration of that policy. An insurer shall provide written notice by January 1, 1992, to all employers having an outstanding policy with the insurer as of October 1, 1991, to read as follows: "As a result of the changes in the workers' compensation insurance system enacted by the 1991 legislature, you are entitled to a credit or refund to your current premium in an amount of \$..... which reflects a 12 percent mandated premium reduction prorated from October 1, 1991, to the expiration of your policy."

(b) No rating plan increases may be filed between April 1, 1991, and January 1, 1993.

(c) The commissioner of labor and industry shall survey Minnesota employers to determine if the mandated workers' compensation insurance rate reductions required under this section have been implemented by insurers, both as to amount and in a manner that is uniform and nondiscriminatory between employers having similar risks with respect to a particular occupational classification. The commissioner shall present a report detailing the findings and conclusions to the commission on workers' compensation and the legislature by March 1, 1992.

Sec. 5. [TRUCK DRIVER CLASSIFICATIONS.]

The commissioner of commerce shall evaluate the current system of classification of truck drivers for workers' compensation rate purposes that separates truck drivers in classes 7219, 7380, and 8293 from the classifications for the vast majority of truck drivers employed in the private carrier industry as defined in Minnesota Statutes, section 221.011, subdivision 26. The commissioner shall determine if the classification is fair and equitable to employers of truck drivers in those three classes. If the commissioner determines that those classifications are not fair and equitable to those three classes, the commissioner shall make findings and issue an order correcting the unfairness or inequity.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 and 3 are effective the day following final enactment. Section 2 is effective August 1, 1991. Section 4, paragraphs (a) and (c), are effective October 1, 1991. Section 4, paragraph (b), is effective the day following final enactment and is retroactive to April 1, 1991.

ARTICLE 4
MISCELLANEOUS

Section 1. Minnesota Statutes 1990, section 176.191, subdivision 1, is amended to read:

Subdivision 1. Where compensation benefits are payable under this chapter, and a dispute exists between two or more employers or two or more insurers as to which is liable for payment, the commissioner, compensation judge, or court of appeals upon appeal shall direct, unless action is taken under subdivision 2, that one or more of the employers or insurers make payment of the benefits pending a determination of liability. A temporary order may be issued under this subdivision whether or not the employers or insurers agree to pay under the order.

When liability has been determined, the party held liable for the benefits shall be ordered to reimburse any other party for payments which the latter has made, including interest at the rate of ~~12 percent a year~~ set by section 549.09. The claimant shall also be awarded a reasonable attorney fee, to be paid by the party held liable for the benefits.

An order directing payment of benefits pending a determination of liability may not be used as evidence before a compensation judge, the workers' compensation court of appeals, or court in which the dispute is pending.

Sec. 2. Minnesota Statutes 1990, section 176.191, subdivision 2, is amended to read:

Subd. 2. Where compensation benefits are payable under this chapter, and a dispute exists between two or more employers or two or more insurers as to which is liable for payment, the commissioner or a compensation judge upon petition shall order, unless action is taken under subdivision 1, the special compensation fund established in section 176.131 to make payment of the benefits pending a determination of liability.

The personal injury for which the commissioner or a compensation judge shall order compensation from the special fund is not limited by section 176.131, subdivision 8.

When liability has been determined, the party held liable for benefits shall be ordered to reimburse the special compensation fund for payments made, including interest at the rate of ~~12 percent a year~~ set by section 549.09.

Sec. 3. Minnesota Statutes 1990, section 176.191, subdivision 3, is amended to read:

Subd. 3. If a dispute exists as to whether an employee's injury is compensable under this chapter and the employee is otherwise covered by an insurer pursuant to chapters 62A, 62C and 62D, that insurer shall pay any medical costs incurred by the employee for the injury up to the limits of the applicable coverage and shall make any disability payments otherwise payable by that insurer in the absence of or in addition to workers' compensation liability. If the injury is subsequently determined to be compensable pursuant to this chapter, the workers' compensation insurer shall be ordered to reimburse the insurer that made the payments for all payments made under this subdivision by the insurer, including interest at a ~~rate of 12 percent a year~~ the rate set by section 549.09. If a payment pursuant to this subdivision exceeds the reasonable value as permitted by sections 176.135 and 176.136, the provider shall reimburse the workers' compensation insurer for all the excess as provided by rules promulgated by the commissioner.

Sec. 4. Minnesota Statutes 1990, section 176.191, subdivision 4, is amended to read:

Subd. 4. If the employee's medical expenses for a personal injury are paid pursuant to any program administered by the commissioner of human services, or if the employee or spouse or dependents living with the employee receive subsistence or other payments pursuant to such a program, and it is subsequently determined that the injury is compensable pursuant to this chapter, the workers' compensation insurer shall reimburse the commissioner of human services for the payments made, including interest at a ~~rate of 12 percent a year~~ the rate set by section 549.09.

Amounts paid to an injured employee or spouse or dependents living with the employee pursuant to such a program and attributable to the personal injury shall be deducted from any settlement or award of compensation or benefits under this chapter, including, but not limited to, temporary and permanent disability benefits.

The insurer shall attempt, with due diligence, to ascertain whether payments have been made to an injured employee pursuant to such a program prior to any settlement or issuance of a binding award and shall notify the department of human services, benefit recovery section, when such payments have been made. An employee who has received public assistance payments shall notify the department of human services, benefit recovery section, of its potential intervention claim prior to making or settling a claim for benefits under this chapter. Notice served on local human services agencies is not sufficient to meet the notification requirement in this subdivision.

Sec. 5. [176.1911] [DISPUTES; ARBITRATION.]

Subdivision 1. [BINDING ARBITRATION.] Where a dispute

exists between an employee, employer, insurer, the special compensation fund, the reopened case fund, or the workers' compensation reinsurance association, regarding benefits payable under this chapter, the dispute may be submitted with consent of all interested parties to binding arbitration by a neutral arbitrator. The decision of the arbitrator shall be conclusive with respect to all issues presented except as provided in subdivisions 2 and 3. An arbitration award is admissible in any other proceeding under this chapter and is binding on the parties to the arbitration proceeding.

A person with material information of the matters to be arbitrated shall attend the arbitration proceeding if any party to the proceeding deems it necessary. Reasonable expenses of meals, lost wages, and travel of the employee or witnesses in attending shall be reimbursed on a pro rata basis. Arbitration costs shall be paid by the parties, except the employee, on a pro rata basis. Any issue in dispute may be submitted to arbitration. Issues not submitted to arbitration may be resolved by other available procedures.

Subd. 2. [INCONSISTENT AWARDS.] If the employee commences an action under this chapter for benefits arising out of the same injury which resulted in the dispute arbitrated under subdivision 1, and if the benefits awarded to the employee under the employee's claim are inconsistent with the arbitration decision, any increase in benefits over those paid pursuant to the arbitration proceeding is paid by the party or parties who ordinarily would have been required to pay the increased benefits but for the arbitration. Any reimbursement from the employee of any decrease in benefits from those paid pursuant to the arbitration is paid to the party or parties who previously had paid the increased benefits. The provisions of this subdivision apply regardless of whether more or fewer employers and insurers or the special fund have been added or omitted as parties to the employee's subsequent action after arbitration.

Subd. 3. [ATTORNEY REPRESENTATION.] If an employee brings an action under the circumstances described in subdivision 2, the parties to the previous arbitration may be represented at the new action by a common or joint attorney.

Subd. 4. [ATTORNEY FEES.] No attorney's fees shall be awarded under either section 176.081, subdivision 8, or 176.191 against any employer or insurer in connection with any arbitration proceeding unless the employee chooses to retain an attorney to represent the employee's interests during arbitration.

Sec. 6. Minnesota Statutes 1990, section 176.221, subdivision 7, is amended to read:

Subd. 7. [INTEREST.] Any payment of compensation, charges for treatment under section 176.135, rehabilitation expenses under section 176.102, subdivision 9, or penalties assessed under this

chapter not made when due shall bear interest at the rate of eight percent a year from the due date to the date the payment is made or the rate set by section 549.09, subdivision 1, whichever is greater.

For the purposes of this subdivision, permanent partial disability payment is due 14 days after receipt of the first medical report which contains a disability rating if such payment is otherwise due under this chapter, and charges for treatment under section 176.135 are due 30 calendar days after receiving the bill and necessary medical data.

If the claim of the employee or dependent for compensation is contested in a proceeding before a compensation judge, arbitrator, or the commissioner, the decision of the judge, arbitrator, or commissioner shall provide for the payment of unpaid interest on all compensation awarded, including interest accruing both before and after the filing of the decision.

Sec. 7. [176.325] [CERTIFIED QUESTION.]

Subdivision 1. [WHEN CERTIFIED.] The chief administrative law judge may certify a question of workers' compensation law to the workers' compensation court of appeals as important and doubtful under the following circumstances:

(1) all parties to the case have stipulated in writing to the facts;

(2) the issue to be resolved is a question of workers' compensation law that has not been resolved by the workers' compensation court of appeals or the Minnesota supreme court; and

(3) all parties request that the matter be resolved by certification to the workers' compensation court of appeals as an important and doubtful question.

Subd. 2. [SUPREME COURT REVIEW.] Review by the supreme court of any decision of the workers' compensation court of appeals pursuant to this section shall be pursuant to section 176.471.

Subd. 3. [EXPEDITED DECISION.] It is the legislature's intent that the workers' compensation court of appeals and the Minnesota supreme court resolve the certified question as expeditiously as possible, after compliance by the parties with any requirements of the workers' compensation court of appeals or the Minnesota supreme court regarding submission of legal memoranda, oral argument, or other matters, and after the participation of amicus curiae, should the workers' compensation court of appeals or Minnesota supreme court consider such participation advisable.

Subd. 4. [NOTICE.] The chief administrative law judge shall

notify all persons who request to be notified of a certification under this section.

Sec. 8. [176.307] [COMPENSATION JUDGES; BLOCK SYSTEM.]

The chief administrative law judge must assign workers' compensation cases to compensation judges using a block system type of assignment that, among other things, ensures that a case will remain with the same judge from commencement to conclusion unless the judge is removed from the case by exercise of a legal right of a party or by incapacity. The block system must be the principal means of assigning cases, but it may be supplemented by other systems of case assignment to ensure that cases are timely decided.

Sec. 9. [REPEALER.]

Minnesota Statutes 1990, section 176.191, subdivisions 5, 6, 7, and 8, are repealed.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 6, 8, and 9 are effective July 1, 1991. Section 7 is effective October 1, 1991.

ARTICLE 5

COMMISSION ON WORKERS' COMPENSATION

Section 1. [175.0075] [COMMISSION ON WORKERS' COMPENSATION.]

Subdivision 1. [CREATION; COMPOSITION.] (a) There is created a permanent commission on workers' compensation consisting of ten voting members as follows: the president of the Minnesota chamber of commerce; the president of the Minnesota AFL-CIO; four additional members representing business and four additional members representing labor. The presidents of the Minnesota chamber of commerce and Minnesota AFL-CIO shall serve as commission co-chairs. The governor shall select four members: two representing business and two representing labor. One of the business representatives the governor selects must be the owner or operator of a small employer as defined in section 177.24, subdivision 1, paragraph (a), clause (2). The majority leader of the senate shall select two members: one representing business and one representing labor. The speaker of the house of representatives shall select two members: one representing business and one representing labor. Each co-chair shall appoint an alternate. The governor, senate majority leader, and speaker of the house shall appoint alternates for each member they appoint. Alternates shall serve in the absence of the

member they replace. All labor representatives and alternates selected must be elected or appointed officials of the AFL-CIO or any of its affiliates.

(b) The additional voting members shall serve for terms of five years and may be reappointed. The commissioner of labor and industry shall serve as an ex officio, nonvoting member of the commission.

(c) The commission shall designate liaisons to the commission representing workers' compensation insurers; medical, hospital, and rehabilitation providers; and the legal profession. The speaker and minority leader of the house of representatives shall appoint a member of their respective caucus as a liaison to the commission. The majority and minority leaders of the senate shall appoint a member of their respective caucus to serve as a liaison to the commission.

Subd. 2. [EXPENSES.] Commission members shall serve without pay but are entitled to per diem and reimbursement for expenses as provided under section 15.059.

Subd. 3. [DUTIES.] (a) The commission shall thoroughly examine all elements of Minnesota's current system of workers' compensation and make specific recommendations for reform to the legislature with respect to the development of a workers' compensation system that fairly and justly serves injured workers in this state, at a cost that is affordable by Minnesota employers. The commission shall also advise the department of labor and industry in carrying out the purposes of chapter 176.

(b) In order to carry out its duties and responsibilities in an effective manner, the commission may consult with any government official or employee or other party.

(c) The commission shall submit its findings and recommendations to the legislature with respect to amendments to this chapter by February 1 of each year, and shall also report its views upon any pending bill relating to chapter 176 to the proper legislative committees.

(d) At the request of the chairpersons of the senate employment committee and the house labor-management relations committee, the commission shall schedule meetings with members of those respective committees to review and discuss matters of legislative concern arising under chapter 176.

Subd. 4. [MEETINGS; VOTING.] (a) The commission shall meet as frequently as necessary to carry out its duties and responsibilities. The commission shall also conduct public hearings throughout

the state as may be necessary to give interested persons an opportunity to comment and make suggestions on the operation of the state's workers' compensation law.

(b) The meetings of the commission are subject to the state's open meeting law, section 471.705; except that, the five employer voting members and the five labor voting members may meet in separate closed caucuses for the purpose of deliberating on matters before the commission. All votes of the commission must be public and recorded.

Subd. 5. [EXECUTIVE DIRECTOR.] (a) The commission shall employ an executive director for the commission, who shall be a state employee in the unclassified service and participate in the state unclassified employee retirement program. The range of salary and the salary level within it for the executive director shall be set by the commission. The executive director shall serve at the pleasure of the commission.

(b) The executive director shall provide administrative support and information to the commission in order to allow it to monitor all elements of Minnesota's workers' compensation system. Specific duties of the executive director shall include:

(1) examining the activities of the various entities involved in Minnesota's workers' compensation system and identifying problem areas for the commission's consideration;

(2) identifying trends and developments in the workers' compensation law of other states, and reporting to the commission on issues that are developing and solutions that are being proposed or attempted;

(3) monitoring the decisions of Minnesota courts, including the workers' compensation court of appeals and the supreme court, to determine the impact of court decisions on the workers' compensation system;

(4) monitoring workers' compensation research activities and bringing important research findings and recommendations to the attention of the commission; and

(5) conducting other activities and duties as may be requested by the commission.

Subd. 6. [ADMINISTRATIVE SUPPORT.] The commissioner of labor and industry shall supply necessary office space, supplies, and staff support to assist the commission and its executive director in their duties.

Subd. 7. [CONSULTANTS.] The commission may contract with outside consultants having recognized expertise in the field of workers' compensation as may be needed to perform its duties and responsibilities.

Subd. 8. [APPROPRIATION.] The annual operating costs incurred by the commission in carrying out its duties and responsibilities must be charged to the state general fund.

Sec. 2. [CERTAIN INITIAL STUDIES.] In addition to any other studies and recommendations the commission on workers' compensation conducts and makes, the commission shall study the following issues:

(1) the provision of medical services through a managed care system and other methods to control rapidly rising medical costs;

(2) workplace safety and the safety programs of employers;

(3) eligibility for and the amount of supplementary benefits;

(4) the effect of local labor market conditions on benefit levels and eligibility;

(5) whether the workers' compensation court of appeals should be abolished and other issues related to litigation costs and frequency; and

(6) whether insurance rates should be regulated by a system of prior approval.

The listing of the items to be studied in this section is not intended to limit the commission's authority to study other issues related to workers' compensation nor to study these same issues again at another time.

The commission shall report the results of the studies required by this section and its recommendations to the legislature by February 1, 1992.

Sec. 3. [APPROPRIATION.]

\$300,000 is appropriated from the general fund for the biennium ending June 30, 1993, to the commission on workers' compensation for the purposes of carrying out its duties and responsibilities as provided under section 1.

Sec. 4. [REPEALER.]

Minnesota Statutes 1990, section 175.007, is repealed. Minnesota Statutes, chapters 79, 175A, and 176 are repealed effective July 1, 1993.

Sec. 5. [EFFECTIVE DATE.]

This article is effective July 1, 1991.

ARTICLE 6

WORKERS' COMPENSATION REHABILITATION PROGRAM

Section 1. [VOCATIONAL REHABILITATION.]

The responsibilities of the workers' compensation program of the rehabilitation services division of the department of jobs and training are transferred to the department of labor and industry pursuant to Minnesota Statutes, section 15.039. The transferred employees shall constitute the vocational rehabilitation unit of the department of labor and industry.

Sec. 2. Minnesota Statutes 1990, section 176.104, subdivision 1, is amended to read:

Subdivision 1. [DISPUTE.] If there exists a dispute regarding medical causation or whether an injury arose out of and in the course and scope of employment and an employee has been disabled for the requisite time under section 176.102, subdivision 4, prior to determination of liability, the employee shall be referred by the commissioner to the ~~division of department's~~ vocational rehabilitation unit which shall provide rehabilitation consultation if appropriate. The services provided by the ~~division of department's~~ vocational rehabilitation unit and the scope and term of the rehabilitation are governed by section 176.102 and rules adopted pursuant to that section. Rehabilitation costs and services under this subdivision shall be monitored by the commissioner.

Sec. 3. Minnesota Statutes 1990, section 176.1041, is amended to read:

176.1041 [CERTIFICATION FOR FEDERAL TAX CREDIT.]

Subdivision 1. [CERTIFICATION PROGRAM.] The ~~division of~~ vocational rehabilitation unit shall establish a program authorizing qualified rehabilitation consultants and approved vendors to refer an employee to the ~~division unit~~ for the sole purpose of federal targeted jobs tax credit eligibility determination. The ~~division unit~~ shall set forth the specific requirements, procedures and eligibility criteria for purposes of this section. The ~~division unit~~ shall not be required to certify an injured employee who does not meet the

eligibility requirements set forth in the federal Rehabilitation Act of 1973, as amended.

Subd. 2. [FEE.] The ~~division~~ unit is authorized to collect a fee from the qualified rehabilitation consultant or approved vendor in the amount necessary to determine eligibility and to certify an employee for this program.

Sec. 4. Minnesota Statutes 1990, section 268A.03, is amended to read:

268A.03 [POWERS AND DUTIES.]

The commissioner shall:

(a) certify the rehabilitation facilities to offer extended employment programs, grant funds to the extended employment programs, and perform the duties as specified in section 268A.09;

(b) provide vocational rehabilitation services to persons with disabilities in accordance with the state plan for vocational rehabilitation. These services include but are not limited to: diagnostic and related services incidental to determination of eligibility for services to be provided, including medical diagnosis and vocational diagnosis; vocational counseling, training and instruction, including personal adjustment training; physical restoration, including corrective surgery, therapeutic treatment, hospitalization and prosthetic and orthotic devices, all of which shall be obtained from appropriate established agencies; transportation; occupational and business licenses or permits, customary tools and equipment; maintenance; books, supplies, and training materials; initial stocks and supplies; placement; on-the-job skill training and time-limited postemployment services leading to supported employment; acquisition of vending stands or other equipment, initial stocks and supplies for small business enterprises; supervision and management of small business enterprises, merchandising programs, or services rendered by severely disabled persons. Persons with a disability are entitled to free choice of vendor for any medical, dental, prosthetic, or orthotic services provided under this paragraph;

(c) expend funds and provide technical assistance for the establishment, improvement, maintenance, or extension of public and other nonprofit rehabilitation facilities or centers;

(d) ~~formulate plans of cooperation with the commissioner of labor and industry for providing services to workers covered under the workers' compensation act;~~

(e) maintain a contractual or regulatory relationship with the United States as authorized by the Social Security Act, as amended.

Under this relationship, the state will undertake to make determinations referred to in those public laws with respect to all individuals in Minnesota, or with respect to a class or classes of individuals in this state that is designated in the agreement at the state's request. It is the purpose of this relationship to permit the citizens of this state to obtain all benefits available under federal law;

(~~f~~) (e) provide an in-service training program for division of rehabilitation services employees by paying for its direct costs with state and federal funds;

(~~g~~) (f) conduct research and demonstration projects; provide training and instruction, including establishment and maintenance of research fellowships and traineeships, along with all necessary stipends and allowances; disseminate information to persons with a disability and the general public; and provide technical assistance relating to vocational rehabilitation and independent living;

(~~h~~) (g) receive and disburse pursuant to law money and gifts available from governmental and private sources including, but not limited to, the federal Department of Education and the Social Security Administration, for the purpose of vocational rehabilitation or independent living. ~~Money received from workers' compensation carriers for vocational rehabilitation services to injured workers must be deposited in the general fund;~~

(~~i~~) (h) design all state plans for vocational rehabilitation or independent living services required as a condition to the receipt and disbursement of any money available from the federal government;

(~~j~~) (i) cooperate with other public or private agencies or organizations for the purpose of vocational rehabilitation or independent living. Money received from school districts, governmental subdivisions, mental health centers or boards, and private nonprofit organizations is appropriated to the commissioner for conducting joint or cooperative vocational rehabilitation or independent living programs;

(~~k~~) (j) enter into contractual arrangements with instrumentalities of federal, state, or local government and with private individuals, organizations, agencies, or facilities with respect to providing vocational rehabilitation or independent living services;

(~~l~~) (k) take other actions required by state and federal legislation relating to vocational rehabilitation; independent living, and disability determination programs;

(~~m~~) (l) hire staff and arrange services and facilities necessary to perform the duties and powers specified in this section; and

~~(n)~~ (m) adopt, amend, suspend, or repeal rules necessary to implement or make specific programs that the commissioner by sections 268A.01 to 268A.10 is empowered to administer.

Sec. 5. [REPEALER.]

Minnesota Statutes 1990, section 268A.05, subdivision 2, is repealed.

Sec. 6. [EFFECTIVE DATE.]

This article is effective July 1, 1991.

ARTICLE 7
SELF-INSURANCE

Section 1. Minnesota Statutes 1990, section 79A.02, is amended by adding a subdivision to read:

Subd. 3. [AUDIT OF SELF-INSURANCE APPLICATION.] (a) The self-insurer's security fund shall retain a certified public accountant who shall perform services for, and report directly to, the commissioner of commerce. The certified public accountant shall review each application to self-insure, including the applicant's financial data. The certified public accountant shall provide a report to the commissioner of commerce indicating whether the applicant has met the requirements of section 79A.03, subdivisions 2 and 3. Additionally, the certified public accountant shall provide advice and counsel to the commissioner about relevant facts regarding the applicant's financial condition.

(b) If the report of the certified public accountant is used by the commissioner as the basis for the commissioner's determination regarding the applicant's self-insurance status, the certified public accountant shall be made available to the commissioner for any hearings or other proceedings arising from that determination.

(c) The commissioner shall provide the advisory committee with the summary report by the certified public accountant and any financial data in possession of the department of commerce that is otherwise available to the public.

The cost of the review shall be the obligation of the self-insurer's security fund.

Sec. 2. Minnesota Statutes 1990, section 79A.02, is amended by adding a subdivision to read:

Subd. 4. [RECOMMENDATIONS TO COMMISSIONER REGARDING REVOCATION.] After each fifth anniversary from the date each individual and group self-insurer becomes certified to self-insure, the committee shall review all relevant financial data filed with the department of commerce that is otherwise available to the public and make a recommendation to the commissioner about whether each self-insurer's certificate should be revoked.

Sec. 3. Minnesota Statutes 1990, section 79A.03, subdivision 3, is amended to read:

Subd. 3. [NET WORTH.] Each individual self-insurer shall have and maintain a net worth at least equal to the greater of ten times the retention limit selected with the workers' compensation reinsurance association or one-third the amount of the self-insurer's current annual modified premium. ~~The requirements of this subdivision shall be modified if the self-insurer can demonstrate through a reinsurance program, other than coverage provided by the workers' compensation reinsurance association, that it can pay expected losses without endangering the financial stability of the company.~~

Sec. 4. Minnesota Statutes 1990, section 79A.03, subdivision 7, is amended to read:

Subd. 7. [FINANCIAL STANDARDS.] A group proposing to self-insure shall have and maintain:

(a) A combined net worth of all of the members of an amount at least equal to the greater of ten times the retention selected with the workers' compensation reinsurance association or one-third of the current annual modified premium of the members. ~~The requirements of this paragraph shall be modified if the self-insurer can demonstrate that through excess insurance, other than coverage provided by the workers' compensation reinsurance association, it can pay expected losses.~~

(b) Sufficient assets, net worth, and liquidity to promptly and completely meet all obligations of its members under chapter 176 or this chapter. In determining whether a group is in sound financial condition, consideration shall be given to the combined net worth of the member companies; the consolidated long-term and short-term debt to equity ratios of the member companies; any excess insurance other than reinsurance with the workers' compensation reinsurance association, purchased by the group from an insurer licensed in Minnesota or from an authorized surplus line carrier; other financial data requested by the commissioner or submitted by the group; and the combined workers' compensation experience of the group for the last four years.

Sec. 5. Minnesota Statutes 1990, section 79A.03, subdivision 9, is amended to read:

Subd. 9. [FILING REPORTS.] (a) Incurred losses, paid and unpaid, specifying indemnity and medical losses by classification, payroll by classification, and current estimated outstanding liability for workers' compensation shall be reported to the commissioner by each self-insurer on a calendar year basis, in a manner and on forms available from the commissioner. Payroll information must be filed by April 1 of the following year, and loss information and total workers' compensation liability must be filed by August 1 of the following year.

(b) Each self-insurer shall, under oath, attest to the accuracy of each report submitted pursuant to paragraph (a). Upon sufficient cause, the commissioner shall require the self-insurer to submit a certified audit of payroll and claim records conducted by an independent auditor approved by the commissioner, based on generally accepted accounting principles and generally accepted auditing standards, and supported by an actuarial review and opinion of the future contingent liabilities. The basis for sufficient cause shall include the following factors: where the losses reported appear significantly different from similar types of businesses; where major changes in the reports exist from year to year, which are not solely attributable to economic factors; or where the commissioner has reason to believe that the losses and payroll in the report do not accurately reflect the losses and payroll of that employer. If any discrepancy is found, the commissioner shall require changes in the self-insurer's or workers' compensation service company record keeping practices.

(c) With the annual loss report due August 1, each self-insurer shall report to the commissioner any workers' compensation claim from the previous year where the full, undiscounted value is estimated to exceed \$50,000, in a manner and on forms prescribed by the commissioner.

(d) Each individual self-insurer shall, within four months after the end of its fiscal year, annually file with the commissioner its latest 10K report required by the Securities and Exchange Commission. If an individual self-insurer does not prepare a 10K report, it shall file an annual certified financial statement, together with such other financial information as the commissioner may require to substantiate data in the financial statement.

(e) Each group self-insurer shall, within ~~four~~ six months after the end of the fiscal year for that group, annually file a statement showing the combined net worth of its members based upon an accounting review performed by a certified public accountant, together with such other financial information the commissioner may require to substantiate data in the group's summary statement.

(f) In addition to the financial statements required by paragraphs (d) and (e), interim financial statements or 10Q reports required by

the Securities and Exchange Commission may be required by the commissioner upon an indication that there has been deterioration in the self-insurer's financial condition, including a worsening of current ratio, lessening of net worth, net loss of income, the downgrading of the company's bond rating, or any other significant change that may adversely affect the self-insurer's ability to pay expected losses. Any self-insurer that files an 8K report with the Securities and Exchange Commission shall also file a copy of the report with the commissioner within 30 days of the filing with the Securities and Exchange Commission.

Sec. 6. Minnesota Statutes 1990, section 79A.04, subdivision 2, is amended to read:

Subd. 2. [MINIMUM DEPOSIT.] The minimum deposit is 110 percent of the private self-insurer's estimated future liability. Up to ten percent of that deposit may be used to secure payment of all administrative and legal costs relating to or arising from the employer's self-insuring. As used in this section, "private self-insurers' estimated future liability" means the private self-insurers' total of estimated future liability as determined by a member of the casualty actuarial society every two years for nongroup member private self-insurers, and every year for group member private self-insurers and, for a nongroup member private self-insurer's authority to self-insure, every year for the first five years. After the first five years, the nongroup member's total shall be as determined by a member of the casualty actuarial society every two years, and each such actuarial study shall include a projection of future losses during the two-year period until the next scheduled actuarial study, less payments anticipated to be made during that time. Estimated future liability is determined by first taking the total amount of the self-insured's future liability of workers' compensation claims and then deducting the total amount which is estimated to be returned to the self-insurer from any specific excess insurance coverage, aggregate excess insurance coverage, and any supplementary benefits or second injury benefits which are estimated to be reimbursed by the special compensation fund. Supplementary benefits or second injury benefits will not be reimbursed by the special compensation fund unless the special compensation fund assessment pursuant to section 176.129 is paid and the reports required thereunder are filed with the special compensation fund. In the case of surety bonds, bonds shall secure administrative and legal costs in addition to the liability for payment of compensation reflected on the face of the bond. In no event shall the security be less than the last retention limit selected by the self-insurer with the workers' compensation reinsurance association. The posting or depositing of security pursuant to this section shall release all previously posted or deposited security from any obligations under the posting or depositing and any surety bond so released shall be returned to the surety. Any other security shall be returned to the depositor or the person posting the bond.

Sec. 7. Minnesota Statutes 1990, section 79A.06, subdivision 5, is amended to read:

Subd. 5. [PRIVATE EMPLOYERS WHO HAVE CEASED TO BE SELF-INSURED.] Private employers who have ceased to be private self-insurers shall discharge their continuing obligations to secure the payment of compensation which is accrued during the period of self-insurance, for purposes of Laws 1988, chapter 674, sections 1 to 21, by compliance with all of the following obligations of current certificate holders:

(1) Filing reports with the commissioner to carry out the requirements of this chapter;

(2) Depositing and maintaining a security deposit for accrued liability for the payment of any compensation which may become due, pursuant to chapter 176. However, if a private employer who has ceased to be a private self-insurer purchases an insurance policy from an insurer authorized to transact workers' compensation insurance in this state which provides coverage of all claims for compensation arising out of injuries occurring during the period the employer was self-insured, whether or not reported during that period, the policy will discharge the obligation of the employer to maintain a security deposit for the payment of the claims covered under the policy. The policy may not be issued by an insurer unless it has previously been approved as to form and substance by the commissioner; and

(3) Paying within 30 days all assessments of which notice is sent by the security fund, for a period of seven years from the last day its certificate of self-insurance was in effect. Thereafter, the private employer who has ceased to be a private self-insurer may either: (a) continue to pay within 30 days all assessments of which notice is sent by the security fund until it has no incurred liabilities for the payment of compensation arising out of injuries during the period of self-insurance; or (b) pay the security fund a cash payment equal to four percent of the net present value of all remaining incurred liabilities for the payment of compensation under sections 176.101 and 176.111 as certified by a member of the casualty actuarial society. Assessments shall be based on the benefits paid by the employer during the ~~last full~~ calendar year of self-insurance ~~on claims incurred during that year~~ immediately preceding the calendar year in which the employer's right to self-insure is terminated or withdrawn.

In addition to proceedings to establish liabilities and penalties otherwise provided, a failure to comply may be the subject of a proceeding before the commissioner. An appeal from the commissioner's determination may be taken pursuant to the contested case procedures of chapter 14 within 30 days of the commissioner's written determination.

Any current or past member of the self-insurers' security fund is subject to service of process on any claim arising out of chapter 176 or this chapter in the manner provided by section 303.13, subdivision 1, clause (3), or as otherwise provided by law. The issuance of a certificate to self-insure to the private self-insured employer shall be deemed to be the agreement that any process which is served in accordance with this section shall be of the same legal force and effect as if served personally within this state.

Sec. 8. [79A.071] [CUSTODIAL ACCOUNTS.]

Subdivision 1. [DEPOSIT.] All securities shall be deposited with the state treasurer or in a custodial account with a depository institution acceptable to the state treasurer. Surety bonds shall be filed with the commissioner. The commissioner and the state treasurer may sell or collect, in the case of default of the employer or fund, the amount that yields sufficient funds to pay compensation due under the workers' compensation act.

Subd. 2. [ASSIGNMENT.] Securities in physical form deposited with the state treasurer must bear the following assignment, which shall be signed by an officer, partner, or owner: "Assigned to the state of Minnesota for the benefit of injured employees of the self-insured employer under the Minnesota workers' compensation act." Any securities held in a custodial account, whether in physical form, book entry, or other form, need not bear the assignment language. The instrument or contract creating and governing any custodial account must contain the following assignment language: "This account is assigned to the state treasurer by the Company to pay compensation and perform the obligations of employers imposed under Minnesota Statutes, chapter 176. A depositor or other party has no right, title, or interest in the security deposited in the account until released by the state."

Subd. 3. [CUSTODY.] All securities in physical form on deposit with the state treasurer and surety bonds on deposit shall remain in the custody of the state treasurer or the commissioner for a period of time dictated by the applicable statute of limitations provided in the workers' compensation act. All original instruments and contracts creating and governing custodial accounts shall remain with the state treasurer or the commissioner for a period of time dictated by the applicable statute of limitations provided in the workers' compensation act.

Subd. 4. [RELEASE.] No securities in physical form on deposit with the state treasurer or custodial accounts assigned to the state shall be released without an order from the commissioner.

Subd. 5. [EXCHANGING OR REPLACING.] Any securities deposited with the state treasurer or with a custodial account assigned to the state treasurer or surety bonds held by the commissioner may

be exchanged or replaced by the depositor with other acceptable securities or surety bonds of like amount so long as the market value of the securities or amount of the surety bond equals or exceeds the amount of deposit required. If securities are replaced by a surety bond, the self-insurer must maintain securities on deposit in an amount sufficient to meet all outstanding workers' compensation liability arising during the period covered by the deposit of the replaced securities, subject to the limitations on maximum security deposits established in Minnesota Rules, part 2780.2600.

Sec. 9. [REPEALER.]

Minnesota Rules, part 2780.0400, subparts 2, 3, 6, 7, and 8, are repealed."

Delete the title and insert:

"A bill for an act relating to workers' compensation; regulating benefits and insurance; establishing a permanent commission on workers' compensation; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 79.252, by adding a subdivision; 79A.02, by adding subdivisions; 79A.03, subdivisions 3, 7, and 9; 79A.04, subdivision 2; 79A.06, subdivision 5; 176.011, subdivisions 3, 9, 11a, and 18; 176.101, subdivisions 1, 2, and 3f; 176.102, subdivisions 1, 1a, 2, 3, 3a, 4, 6, 9, and 11; 176.104, subdivision 1; 176.1041; 176.106, by adding a subdivision; 176.111, subdivision 18; 176.135, subdivisions 1, 6, and 7; 176.136, subdivisions 1, 2, and by adding subdivisions; 176.155, subdivision 1, and by adding a subdivision; 176.185, subdivision 1; 176.191, subdivisions 1, 2, 3, and 4; 176.221, subdivision 7; 176.645, subdivisions 1 and 2; 176.83, subdivisions 5, 6, and by adding a subdivision; 176A.03, by adding a subdivision; 268A.03; proposing coding for new law in Minnesota Statutes, chapters 79A; 175; and 176; repealing Minnesota Statutes 1990, sections 175.007; 176.136, subdivision 5; 176.191; and 268A.05, subdivision 2; and Minnesota Statutes, chapters 79; 175A; and 176."

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

House Conferees: TOM RUKAVINA, JOHN J. SARNA, TED WINTER, BOB ANDERSON AND PAT BEARD.

Senate Conferees: FLORIAN CHMIELEWSKI, HAROLD R. "SKIP" FINN, PHIL J. RIVENESS AND CAROL FLYNN.

Rukavina moved that the report of the Conference Committee on H. F. No. 1422 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1422, A bill for an act relating to workers' compensation; regulating benefits and insurance; establishing a permanent commission on workers' compensation; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 79.252, by adding a subdivision; 176.011, subdivisions 3, 11a, and 18; 176.101, subdivisions 1, 2, and 3f; 176.102, subdivisions 1, 2, 3, 3a, 4, 6, 9, and 11; 176.111, subdivision 18; 176.135, subdivisions 1, 6, and 7; 176.136, subdivisions 1, 2, and by adding subdivisions; 176.155, subdivision 1; 176.645, subdivisions 1 and 2; 176.83, subdivisions 5, 6, and by adding a subdivision; 176A.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 175 and 176; repealing Minnesota Statutes 1990, sections 175.007; and 176.136, subdivision 5; and chapters 79, 175A, and 176.

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 78 yeas and 54 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Garcia	Krueger	Orenstein	Skoglund
Anderson, R.	Greenfield	Lasley	Orfield	Solberg
Battaglia	Hanson	Lieder	Osthoff	Sparby
Bauerly	Hasskamp	Long	Ostrom	Steensma
Beard	Hausman	Lourey	Pelowski	Thompson
Begich	Jacobs	Mariani	Peterson	Trimble
Bodahl	Janezich	McEachern	Pugh	Tunheim
Brown	Jaros	McGuire	Reding	Vellenga
Carlson	Jefferson	Milbert	Rest	Wagenius
Carruthers	Jennings	Munger	Rice	Wejzman
Clark	Johnson, A.	Murphy	Rodosovich	Welle
Cooper	Johnson, R.	Nelson, K.	Rukavina	Wenzel
Dauner	Kahn	Nelson, S.	Sarna	Winter
Dawkins	Kalis	O'Connor	Scheid	Spk. Vanasek
Dorn	Kelso	Olson, E.	Segal	
Farrell	Kinkel	Olson, K.	Simoneau	

Those who voted in the negative were:

Abrams	Frederick	Hugoson	Morrison	Smith
Anderson, R. H.	Frerichs	Johnson, V.	Newinski	Stanius
Bertram	Girard	Knickerbocker	Olsen, S.	Sviggum
Bettermann	Goodno	Koppendrayner	Omnn	Swenson
Bishop	Gruenes	Krinkie	Onnen	Tompkins
Blatz	Gutknecht	Leppik	Ozment	Uphus
Boo	Hartle	Limmer	Pauly	Valento
Dauids	Haukoos	Lynch	Pellow	Waltman
Dempsey	Heir	Macklin	Runbeck	Weaver
Dille	Henry	Marsh	Schreiber	Welker
Erhardt	Hufnagle	McPherson	Seaberg	

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 53

A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for regulation of certain activities and practices; providing for certain rights-of-way; requiring studies and reports; fixing and limiting accounts and fees; amending Minnesota Statutes 1990, sections 10A.02, by adding a subdivision; 12.14; 15A.081, subdivision 1; 16A.662, subdivisions 2, 4, and 5; 41A.09, subdivision 3; 60A.14, subdivision 1; 60A.17, subdivision 1d; 72B.04, subdivision 7; 80C.04, subdivision 1; 80C.07; 80C.08, subdivision 1; 82.22, subdivisions 1, 5, 10, and 11; 115C.09, by adding a subdivision; 129D.04, by adding subdivisions; 129D.05; 138.91; 138.94; 162.02, subdivision 12; 168C.04; 171.06, subdivision 2a; 171.26; 182.651, by adding subdivisions; 182.661, subdivisions 1, 2, 2a, 3, 3a, and by adding subdivisions; 182.664, subdivisions 3 and 5; 182.666, subdivisions 1, 2, 3, 4, 5, and 5a; 182.669, subdivision 1; 184.28, subdivision 2; 184.29; 184A.09; 239.78; 240.02, subdivisions 2 and 3; 240.06, subdivision 8; 240.155; 240.28; 297B.09, subdivision 1; 299F.57, subdivision 1a; 299F.641, subdivision 2; 299K.07; 299K.09, subdivision 2; 336.9-413; 349.12, subdivision 10; 349.151, subdivision 2; 349A.01, subdivisions 5 and 9; 349A.02, subdivision 1; 349A.03, subdivision 1; 349A.10, subdivision 5; and 626.861, subdivisions 1 and 4; Laws 1989, chapter 269, sections 11, subdivision 7; and 31; repealing Minnesota Statutes 1990, sections 182.664, subdivision 2; 240.01, subdivision 15; 349.12, subdivision 12; 349A.01, subdivisions 3, 4, and 6; and 349B.01; and Laws 1989, chapter 322, section 7.

May 17, 1991

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. 53, 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. 53 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [TRANSPORTATION AND OTHER AGENCIES; APPROPRIATIONS.]

The sums shown in the columns marked “APPROPRIATIONS” are appropriated from the general fund, or another named fund, to the

agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures "1991," "1992," and "1993," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1991, June 30, 1992, or June 30, 1993, respectively.

SUMMARY BY FUND

	1992	1993	TOTAL
General	\$138,143,000	\$138,452,000	\$276,595,000
Airports	16,069,000	15,818,000	31,887,000
C.S.A.H.	240,000,000	242,000,000	482,000,000
Environmental	461,000	465,000	926,000
Highway User	12,041,000	11,974,000	24,015,000
M.S.A.S.	66,000,000	67,000,000	133,000,000
Special Revenue	2,776,000	2,819,000	5,595,000
Trunk Highway	792,101,000	822,912,000	1,615,013,000
Workers' Compensation	10,839,000	11,229,000	22,068,000
Transfers to Other			
Direct	(2,769,000)	(2,789,000)	(5,558,000)
TOTAL	1,275,661,000	1,309,880,000	2,585,541,000

APPROPRIATIONS Available for the Year Ending June 30 1992 1993

Sec. 2. TRANSPORTATION

Subdivision 1. Total Appropriation 1,058,366,000 1,091,555,000

Approved Complement –	4,802
General –	14
State Airports –	43
Trunk Highway –	4,735
Federal –	10

The appropriations in this section are from the trunk highway fund, except when another fund is named.

		1992	1993
		\$	\$
Summary by Fund			
General	8,701,000	8,683,000	
Airports	16,069,000	15,818,000	
C.S.A.H.	240,000,000	242,000,000	
Environmental	200,000	200,000	
M.S.A.S.	66,000,000	67,000,000	
Trunk Highway	727,316,000	757,774,000	
Special Revenue	80,000	80,000	

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Aeronautics	15,814,000	15,562,000
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This appropriation is from the state airports fund.

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Airport Development and Assistance

1992	1993
11,892,000	11,645,000

\$1,749,000 the first year and \$1,752,000 the second year are for navigational aids.

\$6,089,000 the first year and \$6,089,000 the second year are for airport construction grants.

\$1,773,000 the first year and \$1,773,000 the second year are for airport maintenance grants.

If the appropriation for either year for navigational aids, airport construction grants, or airport maintenance grants is insufficient, the appropriation for the other year is available for it. The appropriations for construction grants and maintenance grants must be expended only for grant-in-aid programs for airports that are not state owned.

1992

1993

\$

\$

These appropriations must be expended in accordance with Minnesota Statutes, section 360.305, subdivision 4.

The commissioner of transportation may transfer unencumbered balances among the appropriations for airport development and assistance with the approval of the governor after consultation with the legislative advisory commission.

\$8,000 the first year and \$8,000 the second year are for maintenance of the Pine Creek Airport.

\$500,000 the first year and \$500,000 the second year are for air service grants.

\$15,000 the first year and \$15,000 the second year are for the advisory council on metropolitan airport planning.

(b) Civil Air Patrol

65,000	65,000
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(c) Aeronautics Administration

3,857,000	3,852,000
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Subd. 3. Transit

8,610,000	8,608,000
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Summary by Fund

General	8,364,000	8,363,000
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Trunk Highway	246,000	245,000
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Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

The amounts that may be spent from this appropriation for each activity are as follows:

	1992	1993
	\$	\$
(a) Greater Minnesota Transit Assistance		
	7,954,000	7,954,000

This appropriation is from the general fund.

(b) Transit Administration

656,000 654,000

Summary by Fund

General	410,000	409,000
Trunk Highway	246,000	245,000

Subd. 4. Railroads and Waterways

1,189,000 1,186,000

Summary by Fund

General	263,000	262,000
Trunk Highway	926,000	924,000

Subd. 5. Motor Carrier Regulation

1,680,000 1,619,000

Subd. 6. Local Roads

307,109,000 310,106,000

Summary by Fund

C.S.A.H.	240,000,000	242,000,000
M.S.A.S.	66,000,000	67,000,000
Trunk Highway	1,109,000	1,106,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) County State Aids

240,000,000 242,000,000

This appropriation is from the county state-aid highway fund and is available until spent.

	1992	1993
	\$	\$
(b) Municipal State Aids		
66,000,000	67,000,000	

This appropriation is from the municipal state-aid street fund and is available until spent.

If an appropriation for either county state aids or municipal state aids does not exhaust the balance in the fund from which it is made in the year for which it is made, the commissioner of finance, upon request of the commissioner of transportation, shall notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount of the remainder and shall then add that amount to the appropriation. The amount added is appropriated for the purposes of county state aids or municipal state aids, as appropriate.

(c) State Aid Technical Assistance

1,109,000 1,106,000

Subd. 7. State Road Construction 410,821,000 443,033,000

Summary by Fund

Special Revenue	80,000	80,000
Environmental	200,000	200,000
Trunk Highway	410,541,000	442,753,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) State Road Construction

390,402,000 421,402,000

Summary by Fund

Environmental	200,000	200,000
Trunk Highway	390,202,000	421,202,000

	\$	1992	\$	1993
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It is estimated that the appropriation from the trunk highway fund will be funded as follows:

Federal Highway Aid

200,000,000	231,000,000
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Highway User Taxes

190,202,000	190,202,000
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The commissioner of transportation shall notify the chair of the committee on finance of the senate and chair of the committee on appropriations of the house of representatives promptly of any events that should cause these estimates to change.

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways. This includes the cost of actual payment to landowners for lands acquired for highway right-of-way, payment to lessees, interest subsidies, and relocation expenses.

(b) Highway Debt Service

14,864,000	16,094,000
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\$9,274,000 the first year and \$10,794,000 the second year are for transfer to the state bond fund.

If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of finance shall notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount of the deficiency and shall then transfer that amount under the statutory open appropriation.

	1992	1993
	\$	\$

Any excess appropriation must be canceled to the trunk highway fund.

(c) Highway Program Administration

	2,149,000	2,142,000
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Summary by Fund

Special Revenue	80,000	80,000
Trunk Highway	2,069,000	2,062,000

\$243,000 the first year and \$243,000 the second year are available for grants to regional development commissions outside the seven-county metropolitan area for transportation studies to identify critical concerns, problems, and issues.

\$180,000 the first year and \$180,000 the second year are available for grants to metropolitan planning organizations outside the seven-county metropolitan area.

(d) Transportation Data Analysis

	3,406,000	3,395,000
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Subd. 8. Design Engineering	58,474,000	57,875,000
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\$75,000 the first year and \$75,000 the second year are for a transportation research contingent account to finance research projects that are reimbursable from the federal government or from other sources. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 9. Construction Engineering	67,232,000	67,006,000
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Subd. 10. State Road Operations	144,665,000	144,312,000
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Subd. 11. Equipment	16,966,000	17,429,000
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	1992	1993
	\$	\$
Summary by Fund		
General	5,000	5,000
Airports	58,000	59,000
Trunk Highway	16,903,000	17,365,000

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

Subd. 12. General Administration	25,806,000	24,819,000
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Summary by Fund		
General	69,000	53,000
Airports	197,000	197,000
Trunk Highway	25,540,000	24,569,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) General Management

	14,350,000	14,330,000
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(b) General Services

	7,002,000	6,057,000
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Summary by Fund		
General	43,000	44,000
Airports	140,000	140,000
Trunk Highway	6,819,000	5,873,000

\$361,000 the first year and \$320,000 the second year are for data processing development. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

The commissioner of transportation shall manage the department of transportation in such a manner as to provide seasonal employees of the department with the maximum feasible amount of employment security consistent with the efficient delivery of department programs.

(c) Legal Services

	1,116,000	1,116,000
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1992

1993

\$

\$

This appropriation is for the purchase of legal services from or through the attorney general.

(d) Electronic Communications

3,281,000 3,259,000

Summary by Fund

General 26,000 9,000

Trunk Highway 3,255,000 3,250,000

\$26,000 the first year and \$9,000 the second year are for equipment and operation of the Roosevelt signal tower for Lake of the Woods weather broadcasting.

(e) Air Transportation Services

57,000 57,000

This appropriation is from the state airports fund.

Subd. 13. Transfers

The commissioner of transportation with the approval of the commissioner of finance may transfer unencumbered balances among the appropriations from the trunk highway fund and the state airports fund made in this section. No transfer may be made from the appropriation for trunk highway development. No transfer may be made from the appropriations for debt service to any other appropriation. Transfers may not be made between funds. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Subd. 14. Contingent Appropriation

The commissioner of transportation, with the approval of the governor after

	1992	1993
	\$	\$
consultation with the legislative advisory commission, may transfer all or part of the unappropriated balance in the trunk highway fund to an appropriation for trunk highway design, construction, or inspection in order to take advantage of an unanticipated receipt of income to the trunk highway fund, or to trunk highway maintenance in order to meet an emergency, or to pay tort or environmental claims. The amount transferred is appropriated for the purpose of the account to which it is transferred.		
Sec. 3. REGIONAL TRANSIT BOARD	27,129,000	27,130,000

\$12,668,000 the first year and \$12,668,000 the second year are for Metro Mobility.

The regional transit board must not spend any money for metro mobility outside this appropriation.

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

Sec. 4. TRANSPORTATION REGULATION BOARD	730,000	757,000
Approved Complement –	9.5	

This appropriation is from the trunk highway fund.

\$40,000 is appropriated from the trunk highway fund for fiscal year 1991 for unanticipated expenditures for administrative hearings, legal costs, employee severance costs, and rent.

Sec. 5. PUBLIC SAFETY

Subdivision 1. Total Appropriation	106,183,000	106,423,000
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	\$		1992	\$	1993
	1992	1993			
Approved Complement –	1,871.7	1,871.2			
General –	449.2	449.2			
Environmental –	1	1			
Highway User –	173.6	173.6			
Special Revenue –	32.5	32.5			
Trunk Highway –	1,157.1	1,160.1			
Federal –	58.3	54.8			

The above approved complement includes 535 for state-funded, unclassified patrol officers and supervisors of the state patrol and eight for capitol security positions required for the Minnesota History Center. Nothing in this provision is intended to limit the authority of the commissioner of public safety to transfer personnel, with the approval of the commissioner of finance, among the various units and divisions within this section, provided that the above complement must be reduced accordingly.

Summary by Fund

General	31,431,000	31,402,000
Highway User	11,916,000	11,849,000
Special Revenue	2,380,000	2,410,000
Trunk Highway	63,184,000	63,510,000
Environmental	41,000	41,000
Transfers to Other		
Direct	(2,769,000)	(2,789,000)

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Administration and Related Services

4,830,000	4,932,000
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		1992	1993
		\$	\$
Summary by Fund			
General	530,000	529,000	
Highway User	19,000	19,000	
Trunk Highway	4,281,000	4,384,000	

\$314,000 the first year and \$429,000 the second year are for management information systems. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

\$326,000 the first year and \$326,000 the second year are for payment of public safety officer survivor benefits under Minnesota Statutes, section 299A.44. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 3. Emergency Management

1,478,000	1,458,000
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Summary by Fund

General	778,000	758,000
Special Revenue	700,000	700,000

\$700,000 the first year and \$700,000 the second year are for nuclear plant preparedness. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

\$286,000 is appropriated from the general fund for fiscal year 1991 for the remaining state obligations to the federal emergency management assistance agency to match federal aid for flood emergencies of 1987 in the metropolitan area and 1989 in the Red River Valley.

Subd. 4. Criminal Apprehension

15,609,000	15,646,000
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	\$	1992	\$	1993
Summary by Fund				
General	13,929,000	13,968,000		
Special Revenue	627,000	627,000		
Trunk Highway	1,053,000	1,051,000		

\$223,000 the first year and \$223,000 the second year are for use by the bureau of criminal apprehension for the purpose of investigating cross-jurisdictional criminal activity. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

\$171,000 the first year and \$171,000 the second year are for grants to local officials for the cooperative investigation of cross-jurisdictional criminal activity. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

\$523,000 the first year and \$523,000 the second year from the bureau of criminal apprehension account in the special revenue fund are for laboratory activities.

\$104,000 the first year and \$104,000 the second year from the bureau of criminal apprehension account in the special revenue fund are for grants to local officials for the cooperative investigation of cross-jurisdictional criminal activity. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

Subd. 5. Fire Marshal

2,277,000	2,269,00
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Subd. 6. State Patrol

41,220,000	42,017,000
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		1992	1993
		\$	\$
Summary by Fund			
General	442,000	441,000	
Highway User	90,000	90,000	
Trunk Highway	40,688,000	41,486,000	

During the biennium ending June 30, 1993, no more than five positions, excluding the chief patrol officer, in the state patrol support activity may be filled by state troopers.

During the biennium ending June 30, 1993, the commissioner may purchase other motor fuel when gasohol is not available for the operation of state patrol vehicles.

Subd. 7. Capitol Security

1,341,000	1,336,000
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Subd. 8. Driver and Vehicle Services

33,064,000	32,407,000
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Summary by Fund

General	5,654,000	5,643,000
Highway User	10,344,000	10,271,000
Trunk Highway	16,986,000	16,413,000
Special Revenue	80,000	80,000

This appropriation is from the transportation account in the special revenue fund.

\$431,000 the first year and \$431,000 the second year are for chemical use assessment reimbursements to counties.

Of the appropriation from the highway user tax distribution fund, \$109,000 the first year and \$9,000 the second year are for the department's costs related to collegiate plates for the academic excellence scholarship program. The commissioner shall repay these amounts to the highway user tax dis-

	1992	1993
	\$	\$
tribution fund from amounts received from the sale of these license plates.		

The commissioner shall substantially increase the department's efforts to (1) recover the value of worthless checks used for payment of motor vehicle license taxes, (2) deter future use of worthless checks for this purpose, and (3) assist deputy registrars in dealing with the problem of worthless checks. The commissioner shall consult with deputy motor vehicle registrars in formulating and administering these policies. The commissioner shall implement this requirement to the maximum feasible extent in the next revision of the commissioner's rules governing deputy motor vehicle registrars. The commissioner shall report by February 1, 1992, to the chairs of the house committee on appropriations and senate committee on finance on actions the commissioner has taken and proposes to take to comply with this requirement.

Subd. 9. Liquor Control

	761,000	759,000
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Subd. 10. Gambling Enforcement

	1,222,000	1,218,000
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Subd. 11. Traffic Safety

	240,000	240,000
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Summary by Fund

General	64,000	64,000
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Trunk Highway	176,000	176,000
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Subd. 12. Drug Policy

	587,000	587,000
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Subd. 13. Pipeline Safety

	873,000	903,000
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	1992	1993
	\$	\$
This appropriation is from the pipeline safety account in the special revenue fund.		

Subd. 14. Crime Victims Services

	1,620,000	1,587,000
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Notwithstanding any other law to the contrary, the crime victims reparations board shall, to the extent possible, distribute the appropriation in equal monthly increments. In no case shall the total awards exceed the appropriation made in this subdivision.

Subd. 15. Children's Trust Fund

	520,000	520,000
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Summary by Fund

General	420,000	420,000
Special Revenue	100,000	100,000

This appropriation is from the children's trust fund account in the special revenue fund.

Subd. 16. Emergency Response Commission

	403,000	404,000
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Summary by Fund

General	362,000	363,000
Environmental	41,000	41,000

Subd. 17. Private Detective and Security Licensing

	68,000	67,000
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Subd. 18. Crime Victims Ombudsman

	70,000	73,000
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Subd. 19. Transfers

1992

1993

\$

\$

The commissioner of public safety with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the programs within a fund. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Subd. 20. Reimbursements

(a) \$1,306,000 the first year and \$1,320,000 the second year are appropriated from the general fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1992, and January 1, 1993, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for general fund purposes in the administration and related services program.

(b) \$437,000 the first year and \$443,000 the second year are appropriated from the highway user tax distribution fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1992, and January 1, 1993, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for highway user fund purposes in the administration and related services program.

(c) \$1,026,000 the first year and \$1,026,000 the second year are appropriated from the highway user tax distribution fund for transfer by the commissioner of finance to the general fund on January 1, 1992, and January 1, 1993, respectively, in order to reimburse the general fund for expenses not

	1992	1993
	\$	\$

related to the fund. These represent amounts appropriated out of the general fund for operation of the criminal justice data network related to driver and motor vehicle licensing.

Sec. 6. BOARD OF PEACE OFFICER STANDARDS AND TRAINING	3,983,000	3,982,000
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Approved Complement – 11

\$500,000 the first year and \$500,000 the second year are for the creation and operation of a school of law enforcement.

Sec. 7. MINNESOTA SAFETY COUNCIL	71,000	71,000
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This appropriation is from the trunk highway fund.

Sec. 8. COMMERCE

Subdivision 1. Total Appropriation	12,386,000	12,760,000
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	1992	1993
Approved Complement –	237	235
General –	229	227
Environmental –	5	5
Special Revenue –	3	3

Summary by Fund

General	11,850,000	12,207,000
Environmental	220,000	224,000
Special Revenue	316,000	329,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Financial Examinations

5,157,000	5,345,000
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Subd. 3. Registration and Analysis

1,992,000	2,015,000
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	\$	1992	\$	1993
Subd. 4. Petroleum Tank Release Cleanup Board				
	220,000	224,000		

This appropriation is from the petroleum tank release cleanup account in the environmental fund for administration.

The commissioners of commerce and the pollution control agency, in cooperation with the petroleum tank release cleanup board, shall study and report to the governor and the legislature by January 1, 1992, on the petroleum tank release cleanup program. The study must include, but need not be limited to, recommendations on program administration, the reasonableness of costs of exploratory drilling, program financing mechanisms, criteria for reimbursements, and program cost controls.

Subd. 5. Administrative Services

1,774,000	1,812,000
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Subd. 6. Enforcement and Licensing

3,243,000	3,364,000
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Summary by Fund

General	2,927,000	3,035,000
Special Revenue	316,000	329,000

\$316,000 the first year and \$329,000 the second year are from the real estate education, research, and recovery account in the special revenue fund for the purpose of Minnesota Statutes, section 82.34, subdivision 6. If the appropriation from the special revenue fund for either year is insufficient, the appropriation for the other year is available for it.

Subd. 7. Transfers

	1992	1993
	\$	\$
<p>The commissioner with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.</p>		
<p>Sec. 9. NON-HEALTH-RELATED BOARDS</p>		
Subdivision 1. Total for this section	1,089,000	1,121,000
Subd. 2. Board of Abstractors	8,000	8,000
Subd. 3. Board of Accountancy	441,000	445,000
Approved Complement –	5	
Subd. 4. Board of Architecture, Engineering, Land Surveying, and Landscape Architecture	442,000	470,000
Approved Complement –	8	
Subd. 5. Board of Barber Examiners	135,000	135,000
Approved Complement –	2.5	
Subd. 6. Board of Boxing	63,000	63,000
Approved Complement –	1.5	
<p>Sec. 10. PUBLIC UTILITIES COMMISSION</p>		
	2,415,000	2,471,000
Approved Complement –	40	

Notwithstanding Minnesota Statutes, section 216B.243, subdivision 6, for any certificate of need application for expansion of the storage capacity for spent nuclear fuel rods, the commission and department shall assess actual amounts billed by the office of administrative hearings and up to \$300,000 of reasonable costs of the commission and department pursuant to Minnesota

	1992	1993
	\$	\$
Statutes, section 216B.62, subdivision 6, during the biennium, subject to the limitations of Minnesota Statutes, section 216B.62, subdivision 2.		

Sec. 11. PUBLIC SERVICE

Subdivision 1. Total Appropriation	7,467,000	7,727,000
Approved Complement –	141.8	
General –	127.8	
Special Revenue –	6	
Federal –	8	

The commissioner shall transfer, from among positions that were transferred to the department from the state energy agency, two positions to areas in which the cost of the positions are recovered from fees on regulated utilities.

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

The legislature intends that of the reduction in anticipated department expenditures as a result of the difference between this appropriation and the department's budget request, \$100,000 be achieved through a reduction in activities not funded by fees.

Subd. 2. Telecommunications

626,000	653,000
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Subd. 3. Weights and Measures

2,157,000	2,236,000
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Subd. 4. Information and Operations Management

1,439,000	1,491,000
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Subd. 5. Energy

3,245,000	3,347,000
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	1992	1993
	\$	\$
Subd. 6. Transfers		
<p>The department of public service, with the approval of the commissioner of finance, may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations in the house of representatives.</p>		
Sec. 12. GAMING	10,000	-0-
Approved Complement –	-0-	
Sec. 13. LAWFUL GAMBLING CONTROL	1,930,000	1,928,000
Approved Complement –	37	
Sec. 14. RACING COMMISSION	1,046,000	1,058,000
Approved Complement –	9	
General –	8	
Special Revenue –	1	
Sec. 15. STATE LOTTERY BOARD		
<p>The director of the state lottery shall reimburse the general fund \$250,000 the first year and \$250,000 the second year for lottery-related costs incurred by the departments of public safety and human services.</p>		
Sec. 16. ETHICAL PRACTICES BOARD	340,000	351,000
Approved Complement –	6	
Sec. 17. MINNESOTA MUNICIPAL BOARD	277,000	284,000
Approved Complement –	4	

Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

	1992	1993
	\$	\$

Sec. 18. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. Total Appropriation	12,943,000	13,072,000
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The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

The Minnesota historical society is eligible for a salary supplement in the same manner as state agencies. The commissioner of finance will determine the amount of the salary supplement based on available appropriations. Employees of the Minnesota historical society will be paid in accordance with the appropriate pay plan.

Subd. 2. Public Programs and Operations	11,438,000	11,783,000
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\$30,000 the first year and \$70,000 the second year are additional funds for the re-opening of the Meighen Store in calendar year 1992, and is in addition to any other funds expended for this purpose.

Any unencumbered balance remaining at the end of the first year must be returned to the state treasury and credited to the general fund.

Subd. 3. Statewide Outreach	615,000	615,000
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\$223,000 the first year and \$223,000 the second year are for historic site grants to encourage local historic preservation projects. To be eligible for a grant, a county or local project group must provide a 50 percent match, in accordance with the historical society's guidelines. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$27,000 the first year and \$27,000 the second year are for the state archaeology function.

	1992	1993
	\$	\$
Subd. 4. Repair and Replacement	462,000	462,000

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

Subd. 5. Fiscal Agent	428,000	212,000
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(a) Sibley House Association

93,000 93,000

This appropriation is available for operation and maintenance of the Sibley house and related buildings on the Old Mendota state historic site owned by the Sibley house association.

Notwithstanding any other law, the Sibley house association may purchase fire, wind, hail, and vandalism insurance, and insurance coverage for fine art objects from this appropriation.

(b) Minnesota International Center

91,000 50,000

\$40,000 the first year is to be divided equally by the Minnesota International Center among the school districts currently participating in the U.S.- U.S.S.R. High School Academic Partnership Program and must be used to help pay the cost of sending Minnesota students to study in the Soviet Union.

(c) Minnesota Military Museum

30,000

(d) Minnesota Air National Guard Museum

20,000

	1992	1993
	\$	\$
(e) Government Learning Center		
69,000	69,000	

This appropriation is for Project 120.

(f) Greater Cloquet-Moose Lake forest fire museum

25,000

The society shall spend this amount as a grant to the Carlton county historical society to be spent as a grant to the Greater Cloquet-Moose Lake forest fire museum planning committee for the development of the museum. The legislature intends that no further direct appropriation will be made for this purpose.

(g) Museum of the National Guard

25,000

This amount is for a contribution from the state of Minnesota to the museum of the National Guard in Washington, D.C.

(h) Prairieland Expo Center

25,000

The society shall expend this amount as a grant to the southwest regional development commission for assistance for this project.

(i) Battle Point Cultural Center

50,000

This amount is for the Leech Lake Reservation to complete final planning for the Battle Point Cultural Center.

(j) Balances Forward

	1992	1993
	\$	\$
Any unencumbered balance remaining in this subdivision the first year does not cancel but is available for the second year of the biennium.		
Sec. 19. MINNESOTA HUMANITIES COMMISSION	247,000	247,000
Sec. 20. BOARD OF THE ARTS		
Subdivision 1. Total Appropriation	4,043,000	4,018,000
Approved Complement –	16	
General –	13	
Federal –	3	

Any unencumbered balance remaining in this section the first year does not cancel but is available for the second year of the biennium.

Subd. 2. Operations and Services	587,000	587,000
Subd. 3. Grants Program	2,025,000	2,025,000
Subd. 4. Regional Arts Councils	1,406,000	1,406,000
Subd. 5. Kee Theatre	25,000	

The board shall spend \$25,000 of the first year appropriation as a grant for the restoration of the Kee theatre in Kiester. It is the intent of the legislature that no further direct appropriation will be made for this purpose. The board may not use any part of this sum for administrative expenses.

Sec. 21. GREATER MINNESOTA CORPORATION

Subdivision 1. Total Appropriation	12,600,000	12,400,000
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This appropriation is for transfer from the general fund to the greater Minnesota corporation account in the special revenue fund. The corporation shall spend this amount in accordance with the working papers of the appropriate senate and house of representatives

1992

1993

\$

\$

standing committees, a true copy of which is on file in the office of the secretary of state.

Subd. 2. Agricultural Utilization Research Institute

(a) The corporation shall make a grant to the agricultural utilization research institute in an amount specified as provided in subdivision 1. The amount for fiscal year 1992 is reduced by \$3,500,000 if the corporation has not paid \$3,500,000 to the agricultural utilization research institute by July 1, 1991.

(b) Oil overcharge money appropriated to the commissioner of administration for the agricultural utilization research institute for energy-related grants must be transferred from the greater Minnesota corporation to the institute.

Subd. 3. Institute for Invention and Innovation

The greater Minnesota corporation may make grants to the institute for invention and innovation to develop the program and residential component of a Minnesota-based international product, process and service acquisition and transfer program. The greater Minnesota corporation may not transfer funds to the institute until the corporation (1) has developed a peer review system to evaluate the institute's activities and expenditures, and (2) has approved the institute's plan for spending the amount transferred.

Sec. 22. LABOR AND INDUSTRY

Subdivision 1. Total Appropriation	16,275,000	16,743,000
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	\$		1992	\$	1993
	1992	1993			
Approved Complement –	348.5	345.5			
General –	98.9	96.4			
Workers' Compensation –	206.5	206.5			
Federal –	38.1	37.6			
Special Revenue –	5	5			

Summary by Fund

General	5,436,000	5,514,000
Workers' Compensation	10,839,000	11,229,000

The legislature intends that the reduction in anticipated department expenditures as a result of the difference between this appropriation and the department's budget request not result in any reduction of activities in areas funded by fees.

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Workers' Compensation Regulation and Enforcement

7,457,000	7,756,000
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This appropriation is from the special compensation fund.

Fee receipts collected as a result of providing direct computer access to public workers' compensation data on file with the commissioner must be deposited in the general fund.

Subd. 3. Workplace Regulation and Enforcement

4,106,000	4,172,000
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Subd. 4. General Support

4,712,000	4,815,000
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		1992	1993
		\$	\$
Summary by Fund			
General	1,330,000	1,342,000	
Workers' Compensation	3,382,000	3,473,000	
<p>\$215,000 the first year and \$215,000 the second year are for labor education and advancement program grants.</p>			

Subd. 5. Transfers

The commissioner of labor and industry with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 23. SECRETARY OF STATE

Subdivision 1. Total Appropriation		5,131,000	4,782,000
Approved Complement –	69.5		
General –	63.5		
Special Revenue –	6		

The amounts that may be spent from this appropriation for each activity are specified in the following subdivisions.

Subd. 2. Elections and Publications

1,016,000	567,000
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\$635,000 the first year is for the presidential primary election.

Subd. 3. Uniform Commercial Code

221,000	220,000
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Subd. 4. Business Services

724,000	722,000
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	\$	1992	\$	1993
Subd. 5. Administration				
	456,000	459,000		
Subd. 6. Fiscal Operations				
	212,000	212,000		
Subd. 7. Data Services				
	227,000	229,000		
Subd. 8. Network Operations Voter Registration				
	727,000	817,000		
Subd. 9. Network Operations Uni- form Commercial Code				
	1,041,000	1,078,000		
Subd. 10. Reports Renewals Registra- tion				
	507,000	478,000		
Subd. 11. Transfers				
<p>The secretary of state may transfer unencumbered balances among the above programs after notifying the committee on finance of the senate and the committee on appropriations of the house of representatives.</p>				
Sec. 24. VETERANS OF FOREIGN WARS				
		31,000		31,000
<p>For carrying out the provisions of Laws 1945, chapter 455.</p>				
Sec. 25. MILITARY ORDER OF THE PURPLE HEART				
		10,000		10,000
Sec. 26. DISABLED AMERICAN VETERANS				
		13,000		12,000
<p>For carrying out the provisions of Laws 1941, chapter 425.</p>				

	1992	1993
	\$	\$
Sec. 27. UNIFORM LAWS COMMISSION	21,000	22,000
Sec. 28. TRANSPORTATION STUDY BOARD	125,000	125,000
Sec. 29. GENERAL CONTINGENT ACCOUNTS	325,000	325,000

This appropriation is from the highway user tax distribution fund. This appropriation is available only if no other funds are appropriated to the board.

The appropriations in this section may only be spent with the approval of the governor after consultation with the legislative advisory commission pursuant to Minnesota Statutes, section 3.30.

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

Summary by Fund

Trunk Highway Fund	200,000	200,000
Highway User Tax Distribution Fund	125,000	125,000

Sec. 30. TORT CLAIMS	600,000	600,000
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To be spent by the commissioner of finance.

This appropriation is from the trunk highway fund.

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

Sec. 31. [TEMPORARY AUTHORITY; CHARTER CARRIERS OF PASSENGERS.]

(a) The transportation regulation board may grant a temporary permit to a motor carrier, or grant a temporary extension of an

existing charter carrier permit to authorize operation as a charter carrier of passengers, within the seven-county metropolitan area if the board finds that:

(1) the service to be provided under the temporary permit or temporary extension will be provided during the month of January 1992, in connection with or related to the 1992 National Football League championship game;

(2) the petitioner for the temporary permit or extension is fit and able to conduct the proposed operations; and

(3) the petitioner's vehicles meet the applicable safety standards of the commissioner of transportation.

(b) Notwithstanding Minnesota Statutes, section 221.121, subdivision 2, a holder of a temporary permit under this section is not required to seek a permanent permit from the board. The board may charge a registration fee of not more than \$10 for each vehicle that will be operated under authority of the temporary permit or temporary extension. All temporary permits and temporary extensions granted by the board under this section expire on a date specified in the board order granting the temporary permit or extension, but not later than January 31, 1992.

(c) All provisions of Minnesota Statutes, chapter 221, not inconsistent with this section, apply to temporary permits and temporary extensions granted under this section.

(d) In granting temporary permits and temporary extensions under this section, the board shall to the maximum feasible extent give priority to Minnesota-based carriers.

Sec. 32. [EXTENSION OF INSURANCE AGENT LICENSES; EFFECT.]

The commissioner of commerce shall prorate the license fee under Minnesota Statutes, section 60A.17, to reflect the extension of the license term under section 72B.04.

Nothing in section 72B.04 affects continuing education or other requirements imposed by Minnesota Statutes, chapter 60A.

Sec. 33. Laws 1990, chapter 610, article 1, section 13, subdivision 4, is amended to read:

Subd. 4. Federal Aid Demonstration
Program and Federal Discretionary
Bridge Fund Matching

5,600,000

This appropriation is from the state transportation fund for a grant to provide the local match for the federal aid demonstration program and for federal discretionary bridge funds for the Bloomington ferry bridge. Any amount used for the federal discretionary bridge match for the Bloomington ferry bridge is intended to reduce the amount available for the federal aid demonstration program, not supplement it.

Sec. 34. Laws 1989, chapter 269, section 11, subdivision 7, is amended to read:

Subd. 7. [TRANSFERS.]

The commissioner with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Up to \$50,000 may be used to study the cost effectiveness of care provided by members of the healing arts, as defined in Minnesota Statutes, chapter 146. The commissioner shall report the findings to the legislature by January 1, 1990. The commissioner shall retain the results of the study for future research and reference.

Sec. 35. [TRANSPORTATION STUDY BOARD.]

Subdivision 1. [BOARD EXTENDED; MEMBERSHIP.] A transportation study board is created. The board shall consist of the following members:

(1) seven members of the senate, with not more than five of the same political party, appointed by the senate committee on committees; and

(2) seven members of the house of representatives, with not more than five of the same political party, appointed by the speaker of the

house. Appointments are for two-year terms beginning July 1 of each odd-numbered year. Vacancies must be filled in the same manner as the original appointments.

Subd. 2. [OFFICERS.] The board shall elect a chair and vice-chair from among its members. The chair must alternate biennially between a member of the house and a member of the senate. The vice-chair must be a house member when the chair is a senate member, and a senate member when the chair is a house member.

Subd. 3. [STAFF.] The board may employ professional, technical, consulting, and clerical services. The board may use legislative staff to provide legal counsel, research, secretarial, and clerical assistance.

Subd. 4. [EXPENSES AND REIMBURSEMENT.] The members of the board may receive per diem payments when attending meetings and other commission business. Members, employees, and legislative staff must be reimbursed for expenses actually and necessarily incurred in the performance of their duties under the rules governing legislators and legislative employees.

Subd. 5. [EXPIRATION.] This section expires July 1, 1993.

Sec. 36. Minnesota Statutes 1990, section 10A.02, is amended by adding a subdivision to read:

Subd. 14. Notwithstanding the provisions of section 8.15, the board must not be assessed the cost of legal services rendered to it by the attorney general's office.

Sec. 37. Minnesota Statutes 1990, section 12.14, is amended to read:

12.14 [ASSESSMENT FOR NUCLEAR SAFETY PREPAREDNESS ACT.]

Any person, firm, corporation, or association in the business of owning or operating a nuclear fission electrical generating plant located in Minnesota, shall pay an assessment quarterly assessments to cover the cost of nuclear power plant emergency response plans and other programs necessary to deal with incidents resulting from the operation of nuclear fission electrical generating plants. An assessment of \$177,500 per plant up to one quarter of the projected annual cost shall be paid to the commissioner of public safety on July 1 of each year. An assessment shall be billed by the commissioner based on actual costs for each quarter of the fiscal year starting with the first quarter ending September 30. The July 1 assessment shall be deducted from the final quarterly billing for the

fiscal year. The assessment collected shall be credited to the nuclear safety preparedness account in the special revenue fund.

Sec. 38. Minnesota Statutes 1990, 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. 39. Minnesota Statutes 1990, section 16A.662, subdivision 2, is amended to read:

Subd. 2. [BONDS AUTHORIZED.] When authorized by law enacted in accordance with the constitution, article XI, sections 5 and 7, the commissioner may by order sell and issue ~~infrastructure development~~ bonds of the state evidencing public debt incurred for any purpose stated in the law. The bonds are general obligations of the state, and the full faith and credit of the state are pledged for their payment.

Sec. 40. Minnesota Statutes 1990, section 16A.662, subdivision 4, is amended to read:

Subd. 4. [ESTABLISHMENT OF DEBT SERVICE ACCOUNT; APPROPRIATION OF DEBT SERVICE ACCOUNT MONEY.] There is established within the state bond fund a separate and special account designated as the infrastructure development bond debt service account. ~~There must be transferred to this debt service account in each fiscal year from money in the infrastructure development fund, other than bond proceeds and interest earned on bond proceeds, an amount sufficient to increase the balance on hand in the debt service account on each December 1 to an amount equal to the full amount of principal and interest to come due on all outstanding infrastructure development bonds to and including the second following July 1. The amount necessary to make the transfer is appropriated from the infrastructure development fund. The money on hand in the debt service account must be used solely for the payment of the principal of, and interest on, the bonds issued under Laws 1990, chapter 610, article 1, section 30, subdivision 2, and is appropriated for this purpose. This appropriation does not cancel as long as any of the bonds remain outstanding.~~

Sec. 41. Minnesota Statutes 1990, section 16A.662, subdivision 5, is amended to read:

Subd. 5. [ASSESSMENT TO HIGHER EDUCATION SYSTEMS.]
 (a) In order to reduce the amount otherwise required to be trans-

ferred ~~under subdivision 4~~ to the state bond fund with respect to bonds heretofore or hereafter issued under Laws 1990, chapter 610, article 1, section 30, subdivision 2, the commissioner of finance shall assess each higher education system for one-third the amount that would otherwise need to be transferred with respect to ~~infrastructure development~~ those bonds sold to finance capital improvement projects at institutions under the control of the system; provided that, to the extent that the amount to be transferred is for payment of principal and interest on bonds sold to finance life safety improvements, the commissioner must not assess the higher education systems for the transfer.

(b) After each sale of ~~infrastructure development~~ the bonds, the commissioner of finance shall notify the state board for vocational technical education, the state board for community colleges, the state university board, and the regents of the University of Minnesota of the amounts for which each system is responsible for each year for the life of the bonds. The amounts payable each year are reduced by one-third of the net income from investment of ~~infrastructure development~~ those bond proceeds that must be allocated among the systems in proportion to the amount of principal and interest otherwise required to be paid by each. Each higher education system shall pay its annual share of debt service payments to the commissioner of finance by December 1 each year. If a higher education system fails to make a payment when due, the commissioner of finance shall reduce allotments for appropriations from the general fund otherwise payable to the system to cover the amount of the missed debt service payment. The commissioner of finance shall credit the payments received from the higher education systems to the infrastructure development bond debt service account in the state bond fund each December 1 before the transfer is made under subdivision 4.

Sec. 42. Minnesota Statutes 1990, section 60A.14, subdivision 1, is amended to read:

Subdivision 1. [FEES OTHER THAN EXAMINATION FEES.] In addition to the fees and charges provided for examinations, the following fees must be paid to the commissioner for deposit in the general fund:

(a) by township mutual fire insurance companies:

(1) for filing certificate of incorporation \$25 and amendments thereto, \$10;

(2) for filing annual statements, \$15;

(3) for each annual certificate of authority, \$15;

(4) for filing bylaws \$25 and amendments thereto, \$10.

(b) by other domestic and foreign companies including fraternal and reciprocal exchanges:

(1) for filing certified copy of certificate of articles of incorporation, \$100;

(2) for filing annual statement, \$225;

(3) for filing certified copy of amendment to certificate or articles of incorporation, \$100;

(4) for filing bylaws, \$75 or amendments thereto, \$75;

(5) for each company's certificate of authority, \$575, annually.

(c) the following general fees apply:

(1) for each certificate, including certified copy of certificate of authority, renewal, valuation of life policies, corporate condition or qualification, \$15;

(2) for each copy of paper on file in the commissioner's office 50 cents per page, and \$2.50 for certifying the same;

(3) for license to procure insurance in unadmitted foreign companies, \$575;

(4) for receiving and forwarding each notice, proof of loss, summons, complaint or other process served upon the commissioner of commerce, as attorney for service of process upon any nonresident agent or insurance company, including reciprocal exchanges, \$15 plus the cost of effectuating service by certified mail, which amount must be paid by the party serving the notice and may be taxed as other costs in the action;

(5) for valuing the policies of life insurance companies, one cent per \$1,000 of insurance so valued, provided that the fee shall not exceed ~~\$1,000~~ \$13,000 per year for any company. The commissioner may, in lieu of a valuation of the policies of any foreign life insurance company admitted, or applying for admission, to do business in this state, accept a certificate of valuation from the company's own actuary or from the commissioner of insurance of the state or territory in which the company is domiciled;

(6) for receiving and filing certificates of policies by the company's actuary, or by the commissioner of insurance of any other state or territory, \$50;

(7) for issuing an initial license to an individual agent, ~~\$20~~ \$25 per license, for issuing an initial agent's license to a partnership or corporation, \$50, and for issuing an amendment (variable annuity) to a license, ~~\$20~~ \$25, and for renewal of amendment, ~~\$20~~ \$25;

(8) for each appointment of an agent filed with the commissioner, a domestic insurer shall remit \$5 and all other insurers shall remit \$3;

(9) for renewing an individual agent's license, ~~\$20~~ \$25 per year per license, and for renewing a license issued to a corporation or partnership, \$50 per year;

(10) for issuing and renewing a surplus lines agent's license, \$150;

(11) for issuing duplicate licenses, \$5;

(12) for issuing licensing histories, \$10;

(13) for filing forms and rates, \$50 per filing;

(14) for annual renewal of surplus lines insurer license, \$300.

The commissioner shall adopt rules to define filings that are subject to a fee.

Sec. 43. Minnesota Statutes 1990, section 60A.17, subdivision 1d, is amended to read:

Subd. 1d. [RENEWAL FEE.] (a) Each agent licensed pursuant to this section shall annually pay in accordance with the procedure adopted by the commissioner a renewal fee as prescribed by section 60A.14, subdivision 1, paragraph (c), clause (10).

(b) Every agent, corporation, and partnership license expires on ~~May~~ October 31 of the year for which period a license is issued.

(c) Persons whose applications have been properly and timely filed who have not received notice of denial of renewal are approved for renewal and may continue to transact business whether or not the renewed license has been received on or before ~~June~~ November 1. Applications for renewal of a license are timely filed if received by the commissioner on or before ~~May~~ October 15 of the year due, on forms duly executed and accompanied by appropriate fees. An application mailed is considered timely filed if addressed to the commissioner, with proper postage, and postmarked by ~~May~~ October 15.

(d) The commissioner may issue licenses for agents, corporations,

or partnerships for a three-year period. If three-year licenses are issued, the fee is three times the annual license fee.

Sec. 44. Minnesota Statutes 1990, section 72B.04, subdivision 7, is amended to read:

Subd. 7. [LICENSE TERM.] Every adjuster's and public adjuster solicitor's license shall be for a term expiring on ~~May~~ October 31 next following the date of its issuance, and may be renewed for the ensuing calendar year upon the timely filing of an application for renewal.

Sec. 45. Minnesota Statutes 1990, section 80C.04, subdivision 1, is amended to read:

Subdivision 1. An application for registration of a franchise shall be made by filing with the commissioner a proposed public offering statement accompanied by a fee of ~~\$250~~ \$400. The public offering statement shall contain the following:

(a) The name of the franchisor, the name under which the franchisor is doing or intends to do business, and the name of any parent or affiliated person that will engage in business transactions with franchisees;

(b) The franchisor's principal business address, the address of its agent in this state authorized to receive service of process, and a consent to service of process as required by section 80C.20, if applicable;

(c) The business form of the franchisor, whether corporate, partnership or otherwise, and the state or other sovereign power under which the franchisor is organized;

(d) Such information concerning the identity and business experiences of persons affiliated with the franchisor as the commissioner may by rule prescribe;

(e) A statement whether the franchisor or any person identified in the public offering statement:

(1) Has during the ten year period immediately preceding the date of the public offering statement been convicted of a felony, pleaded nolo contendere to a felony charge, or been held liable in a civil action by final judgment if such felony or civil action involved fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices or misappropriation of property;

(2) Is subject to any currently effective order of the United States Securities and Exchange Commission or the securities administra-

tor of any state denying registration to or revoking or suspending the license or registration of such person as a securities broker, dealer, agent, or investment adviser, or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange;

(3) Is subject to any currently effective order or ruling of the Federal Trade Commission;

(4) Is subject to any currently effective injunctive or restrictive order relating to the business which is the subject of the franchise offered or any other business activity as a result of an action brought by any public agency or department; or

(5) Has any civil or criminal actions pending against that franchisor or person involving fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices or misappropriation of property.

Such statement shall set forth the court and date of conviction or judgment, any penalty imposed or damages assessed, the date, nature and issuer of any orders, and the court, nature, and current status of any pending action.

(f) The business experience of the franchisor, including the length of time the franchisor has conducted a business of the type to be operated by the franchisees, has granted franchises for such businesses, and has granted franchises in other lines of business.

(g) A balance sheet of the franchisor as of the end of the franchisor's most recent fiscal year and an income statement for the period ending on the date of such balance sheet, both audited by an independent certified public accountant; and, if the fiscal year-end of the franchisor is in excess of 90 days prior to the date of filing the application, a balance sheet and income statement, which may be unaudited, as of a date within 90 days of the date of the application. The commissioner may by rule or order prescribe the form and content of financial statements required under this clause and the circumstances under which consolidated financial statements may or shall be filed, and may waive the requirement of audited financial statements;

(h) A copy of the entire franchise contract or agreement proposed for use, including all amendments thereto;

(i) A statement of the franchise fee charged, the proposed use of the proceeds of such fee by the franchisor, and the method or formula

by which the amount of the fee is determined if the fee is not the same in all cases;

(j) A statement describing any payments or fees other than franchise fees that the franchisee or subfranchisor is required to pay to the franchisor, including royalties and payments or fees which the franchisor collects in whole or in part on behalf of a third party;

(k) A statement of the conditions under which the franchise agreement may be terminated or renewal refused or repurchased at the option of the franchisor, any limitations on the right of the franchisee to sell, transfer, assign, move, renew or terminate the franchise, and a description of the provisions regarding franchisee equity upon sale, termination, refusal to renew, or repurchase;

(l) A statement whether, by the terms of the franchise agreement or by other device or practice, the franchisee or subfranchisor is required to purchase from the franchisor or person designated by the franchisor, services, supplies, products, fixtures or other goods relating to the establishment or operation of the franchise business, together with a description thereof;

(m) A statement of any restriction or condition imposed by the franchisor whether by the terms of the franchise agreement or by other device or practice of the franchisor whereby the franchisee is limited in the goods or services offered by the franchisee to the franchisee's customers;

(n) A statement of the terms and conditions of any financing arrangements when offered directly or indirectly by the franchisor or an agent or affiliate;

(o) A statement of any past or present practice or of any intent of the franchisor to sell, assign or discount to a third party any note, contract or other obligation of the franchisee or subfranchisor in whole or in part;

(p) A copy of any statement of estimated or projected franchisee earnings prepared for presentation to prospective franchisees or subfranchisors, or other persons, together with a statement setting forth the data upon which such estimation or projection is based;

(q) A statement describing the training program, supervision and assistance the franchisor has provided and will provide the franchisee;

(r) A statement of any compensation or other benefit given or promised to a public figure arising, in whole or in part, from the use of the public figure in the name or symbol of the franchise or the endorsement or recommendation of the franchise by the public

figure in advertisements, and the extent to which such public figure is involved in the actual management of the franchisor;

(s) A statement of the number of franchises presently operating and proposed to be sold;

(t) A statement whether franchisee or subfranchisors receive an exclusive area and territory, and if so, a map thereof; and

(u) Such other information as the commissioner may require;

(v) When the franchises to be registered are proposed to be offered and sold by a subfranchisor or the subfranchisor's agents, the application shall also include the same information concerning the subfranchisor as is required concerning the franchisor pursuant to this section.

Sec. 46. Minnesota Statutes 1990, section 80C.07, is amended to read:

80C.07 [AMENDMENT OF REGISTRATION.]

A person with a registration in effect shall, within 30 days after the occurrence of any material change in the information on file with the commissioner, notify the commissioner in writing of the change by an application to amend the registration accompanied by a fee of ~~\$50~~ \$100. The commissioner may by rule define what shall be considered a material change for such purposes, and may determine the circumstances under which a revised public offering statement must accompany the application. If the amendment is approved by the commissioner, it shall become effective upon the issuance by the commissioner of an order amending the registration.

Sec. 47. Minnesota Statutes 1990, section 80C.08, subdivision 1, is amended to read:

Subdivision 1. Within 120 days after the fiscal year end of the registrant, the registrant shall file a report in the form prescribed by rule of the commissioner. A fee of ~~\$100~~ \$200 shall accompany the annual report.

Sec. 48. Minnesota Statutes 1990, section 82.22, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Each applicant for a license must pass an examination conducted by the commissioner. The examinations shall be of sufficient scope to establish the competency of the applicant to act as a real estate broker, as or a real estate salesperson; ~~or as a real estate closing agent.~~

Sec. 49. Minnesota Statutes 1990, section 82.22, subdivision 5, is amended to read:

Subd. 5. [PERIOD FOR APPLICATION.] An applicant who obtains an acceptable score on a salesperson's ~~or closing agent's~~ examination must file an application and obtain the license within one year of the date of successful completion of the examination or a second examination must be taken to qualify for the license. *If a new examination is required, prelicense education must be completed in accordance with subdivision 6.*

Sec. 50. Minnesota Statutes 1990, section 82.22, subdivision 10, is amended to read:

Subd. 10. [RENEWAL; EXAMINATION.] Except as provided in subdivisions 3 and 7, no examination shall be required for the renewal of any license, provided, however, any licensee having been licensed as a broker, ~~or salesperson, or closing agent~~ in the state of Minnesota and who shall fail to renew the license for a period of two years shall be required by the commissioner to again take an examination.

Sec. 51. Minnesota Statutes 1990, section 82.22, subdivision 11, is amended to read:

Subd. 11. [EXAMINATION ELIGIBILITY; REVOCATION.] No applicant shall be eligible to take any examination if a license as a real estate broker, ~~or salesperson, or closing agent~~ has been revoked in this or any other state within two years of the date of the application.

Sec. 52. Minnesota Statutes 1990, section 115C.09, is amended by adding a subdivision to read:

Subd. 6. [LIMITATION ON REIMBURSEMENT OBLIGATION.] The amount of the state's obligation to make reimbursement under this chapter is limited to the amount available. Notwithstanding any other provisions of this chapter, there shall be no obligation to the general fund to make a reimbursement if there are not sufficient funds in the petroleum tank release cleanup account.

Sec. 53. Minnesota Statutes 1990, section 129D.04, is amended by adding a subdivision to read:

Subd. 5. The board may contract as necessary in the performance of its duties.

Sec. 54. Minnesota Statutes 1990, section 129D.04, is amended by adding a subdivision to read:

Subd. 6. The board's receipts from the sale of publications, mailing lists, recordings or media projects, and fees from seminars or workshops are annually appropriated to the board for the purposes of this section.

Sec. 55. Minnesota Statutes 1990, section 129D.05, is amended to read:

129D.05 [PUBLICATIONS; LEGEND.]

Every publication, program, or other graphic material prepared by the board or prepared for use by any other organization in connection with an activity paid for by the board shall bear the legend: "This activity is made possible in part by a grant provided by the Minnesota state arts board through an appropriation by the Minnesota state legislature."

Each publication, program, or other graphic material prepared by an individual artist in connection with an activity paid for by the board shall bear the legend: "(artist's name) is a (fiscal year) recipient of a (program) grant from the Minnesota state arts board from funds appropriated by the Minnesota legislature."

Sec. 56. Minnesota Statutes 1990, section 138.91, is amended to read:

138.91 [MINNESOTA HUMANITIES COMMISSION.]

~~Subdivision 1. [REPORTS.] From money appropriated to it for this purpose the Minnesota historical society shall make grants to the Minnesota humanities commission for its general operations and management. A grant shall not be made unless matched by an equal amount of federal money. At least 50 percent of the amount appropriated shall be used for cooperation with and service for other groups, agencies, and institutions outside the seven-county metropolitan area for the support and dissemination of the humanities.~~

~~Subd. 2. The Minnesota humanities commission shall report to the legislature by September 1 of each year on the use of these grants state funds appropriated to the commission. The report shall include an itemized account of the programs and projects supported and the source of money for each. The report shall show actual expenditures for the fiscal year ending the preceding June 30 and proposed expenditures for the fiscal year beginning the preceding July 1.~~

~~Subd. 3. 2. [HUMANITIES RESOURCE CENTER.] (a) The Minnesota humanities commission may establish a humanities resource center to ensure balance in public education and in the cultural life of the state, and to improve humanities education through the~~

establishment of two institutes: The Minnesota institute for lifelong learning, and the Minnesota institute for the advancement of teaching.

(b) The humanities resource center may transport people and resources to small towns, rural communities, and urban settings to provide grants, technical assistance, and high quality educational and cultural programs to schools and community organizations throughout Minnesota.

(c) The Minnesota institute for the advancement of teaching may conduct seminars and other activities for the recognition of the teaching profession and the advancement of teaching in Minnesota.

Sec. 57. Minnesota Statutes 1990, section 138.94, is amended to read:

138.94 [STATE HISTORICAL HISTORY CENTER.]

Subdivision 1. [DESIGNATION.] ~~The historical building at 690 Cedar Street and the land housing the Mechanic Arts gymnasium, parking lot, and any other properties between those entities and the historical building at 690 Cedar Street~~ 160 John Ireland Boulevard is hereby designated as the state historical history center, and is to be used for such purposes notwithstanding any other law to the contrary. Authority for administration and control of the state historical history center is conferred on the Minnesota historical society. The society is not exempt from rental or lease costs by the state. The state will maintain and provide custodial, security, and climate control services for the historical history center.

Subd. 2. [USER FEES.] The society may charge fees it deems reasonable for uses relating to the state history center including parking and special exhibits.

Sec. 58. Minnesota Statutes 1990, section 162.02, subdivision 12, is amended to read:

Subd. 12. [SYSTEM TO INCLUDE FORMER MUNICIPAL STATE-AID STREETS.] Former municipal state-aid streets located in a city that previously received money from the municipal state-aid street fund but whose population fell below 5,000 under the 1980 or 1990 federal census must be included in the county state-aid highway system, subject to the approval of the governing bodies of the city and the county. An action taken by a county board approving the inclusion of a former municipal state-aid street in the county state-aid highway system must also include a resolution taking over the street as a county highway under section 163.11. The county state-aid highway system is increased in extent by the

addition of the mileage of municipal state-aid streets reverting or turned over to the jurisdiction of the counties under this subdivision.

Sec. 59. Minnesota Statutes 1990, section 168C.04, is amended to read:

168C.04 [REGISTRATION FEE.]

Subdivision 1. The registration fee for bicycles shall be ~~\$3 until January 1, 1985, and shall be \$5 thereafter~~ \$9 after July 1, 1991. These fees shall be paid at the time of registration. ~~The fees, and any donations in excess of the fees must be deposited in the general fund~~ a bicycle transportation account in the special revenue fund. ~~Proof of purchase is required for registration.~~ Bicycles lacking proof of purchase may be registered if there is no evidence that the bicycle is stolen. However, the registration record must be marked to indicate that no proof of purchase was provided. The registration is valid for three calendar years. A person registering a bicycle may add an additional amount to the registration fee, and all amounts so added must be deposited in the same manner as registration fees. A person registering a bicycle must at the time of registration be informed that a registrant may add an additional amount to the fee and that all such additional amounts will be used for the purposes specified in subdivision 2.

Subd. 2. ~~Funds received from bicycle registration may be expended only by legislative appropriation for the following purposes:~~

~~(a) for the costs incurred by the commissioner in administering the bicycle registration program;~~

~~(b) beginning July 1, 1984, for a program to be conducted by the commissioner to publicize the bicycle registration program and encourage participation in it by bicycle owners and local units of government;~~

~~(c) for the development of bicycle safety education programs and the development of bicycle transportation and recreational facilities including but not limited to bicycle lanes and ways on highway right-of-way, off-road bicycle trails and bicycle mapping. A bicycle transportation account is created in the special revenue fund. All funds in the account, up to a maximum of \$160,000 in a fiscal year, are annually appropriated as follows:~~

~~(1) one-half to the commissioner of transportation for the development of bicycle transportation and recreational facilities on public highways, including but not limited to bicycle lanes and ways on highways, off-road bicycle trails, and bicycle mapping; and~~

~~(2) one-half to the commissioner of public safety for bicycle safety~~

programs, administration of the bicycle registration program, and public information and education designed to encourage participation in the program.

Subd. 3. An agency of the state expending funds from the bicycle ~~program~~ transportation account must, in making expenditures for the purposes of subdivision 2, paragraph (c) give consideration to participation or nonparticipation by a political subdivision in the bicycle registration program as provided in section 168C.13 and the extent of local public participation in the program before approving a project or expenditure in that political subdivision.

~~Subd. 4. Not later than March 1, 1985 the commissioner shall report to the legislature on funds expended under subdivision 2, paragraph (b) and accomplishments in carrying out the purposes of that clause.~~

Sec. 60. Minnesota Statutes 1990, 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~~ \$15 for each first such duplicate license and ~~\$6~~ \$12 for each renewal thereof. The additional fee shall be paid into the state treasury and credited as follows:

(1) \$7.50 of the additional fee for each first duplicate license, and \$6 of the additional fee for each renewal, must be credited to the motorcycle safety fund which is hereby created; 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.

(2) The remainder of the additional fee must be credited to the general fund.

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. 61. Minnesota Statutes 1990, section 171.26, is amended to read:

171.26 [MONEY CREDITED TO TRUNK HIGHWAY FUND AND TO GENERAL FUND.]

All money received under the provisions of this chapter shall be paid into the state treasury with 90 percent of such money credited to the trunk highway fund, and ten percent credited to the general

fund, except as provided in ~~section~~ sections 171.06, subdivision 2a; and 171.29, subdivision 2.

Sec. 62. Minnesota Statutes 1990, section 174.24, is amended by adding a subdivision to read:

Subd. 2a. [ELIGIBLE ACTIVITIES.] Activities eligible for assistance under the program include but are not limited to:

(1) planning and engineering design for transit services and facilities;

(2) capital assistance to purchase or refurbish transit vehicles and other capital expenditures necessary to provide a transit service;

(3) operating assistance as provided under subdivision 3; and

(4) other assistance for public transit services that furthers the purposes of section 174.21.

Sec. 63. Minnesota Statutes 1990, section 182.651, is amended by adding a subdivision to read:

Subd. 21. [AFFECTED EMPLOYEE.] "Affected employee" means a current employee of a cited employer who is exposed within the scope of employment to the alleged hazard described in the citation.

Sec. 64. Minnesota Statutes 1990, section 182.651, is amended by adding a subdivision to read:

Subd. 22. [AUTHORIZED EMPLOYEE REPRESENTATIVE.] "Authorized employee representative" means a labor organization that has a collective bargaining relationship with the cited employer and that represents affected employees.

Sec. 65. Minnesota Statutes 1990, section 182.651, is amended by adding a subdivision to read:

Subd. 23. [RESPONDENT.] "Respondent" means a person against whom a complaint has been issued or served.

Sec. 66. Minnesota Statutes 1990, section 182.661, subdivision 1, is amended to read:

Subdivision 1. If, after an inspection or investigation, the commissioner issues a citation under section 182.66, the commissioner shall notify the employer by certified mail of the penalty, if any, proposed to be assessed under section 182.666 and that the employer has ~~15~~ working 20 calendar days within which to ~~notify the commissioner in writing~~ file a notice of contest and certification of service, on a

form provided by the commissioner, indicating that the employer wishes to contest the citation, type of violation, proposed assessment of penalty, or the period of time fixed in the citation given for correction of violation. A copy of the citation and the proposed assessment of penalty shall also be mailed to the bargaining authorized employee representative and, in the case of the death of an employee, to the next of kin if requested and designated representative of the employee if known to the department of labor and industry. If within 15 working 20 calendar days from the receipt of the penalty notice issued by the commissioner the employer fails to notify the commissioner in writing that the employer intends to contest the citation or proposed assessment of penalty file the notice of contest, and no notice contesting either the citation, the type of violation, proposed penalty, or the time fixed for abatement in the citation of contest is filed by any employee or authorized representative of employees under subdivision 3 within such time, the citation and assessment, as proposed, shall be deemed a final order of the board commissioner and not subject to review by any court or agency.

Sec. 67. Minnesota Statutes 1990, section 182.653, subdivision 9, is amended to read:

Subd. 9. [STANDARD INDUSTRIAL CLASSIFICATION LIST.] The commissioner shall adopt, in accordance with section 182.655, a rule specifying a list of standard industrial classifications of employers who must comply with subdivision 8. The commissioner shall demonstrate the need to include each industrial classification on the basis of the safety record or workers' compensation record of that industry segment. An employer must comply with subdivision 8 six months following the date the standard industrial classification that applies to the employee is placed on the list. An employer having less than 51 employees must comply with subdivision 8 six months following the date the standard industrial classification that applies to the employee is placed on the list or by July 1, 1993, whichever is later. The list shall be updated every two years.

Sec. 68. Minnesota Statutes 1990, section 182.661, subdivision 2, is amended to read:

Subd. 2. If the commissioner has reason to believe that an employer has failed to correct a violation for which a citation has been issued within the period permitted for its correction, which period shall not begin to run until the entry of a final order by the board commissioner in case of any review proceedings under this section initiated by the employer in good faith and not solely for delay or avoidance of penalties, the commissioner shall notify the employer by certified mail of such failure and of the penalty proposed to be assessed under section 182.666 by reason of such failure, and that the employer has 15 working 20 calendar days within which to notify in writing the commissioner file a notice of contest and

certification of service, on a form provided by the commissioner, indicating that the employer wishes to contest the commissioner's notification or the proposed assessment of penalty. If, within 15 working 20 calendar days from the receipt of penalty notification issued by the commissioner, the employer fails to notify in writing the commissioner file the notice of contest indicating that the employer intends to contest the notification or proposed assessment of penalty, the penalty notification and assessment, as proposed, shall be deemed a final order of the board commissioner and not subject to review by any court or agency.

Sec. 69. Minnesota Statutes 1990, section 182.661, subdivision 2a, is amended to read:

Subd. 2a. The commissioner may bring an action in district court for injunctive or other appropriate relief including monetary damages if the employer fails to comply with a final order of the board commissioner.

Sec. 70. Minnesota Statutes 1990, section 182.661, subdivision 3, is amended to read:

Subd. 3. If an employer notifies the commissioner that the employer intends to contest the citation or the proposed assessment of penalty or the employee or the authorized employee representative notifies the commissioner that the employee intends to contest the time fixed for abatement in the citation issued under section 182.66, the citation, the type of alleged violation, the proposed penalty, or notification issued under subdivisions 1 or 2, the board commissioner shall conduct resolve the matter by settlement agreement, petition the board for a decision based on stipulated facts, or refer the matter to an administrative law judge for a hearing in accordance with the applicable provisions of chapter 14, for hearings in contested cases. Where the commissioner refers a matter for a contested case hearing, the administrative law judge shall make findings of fact, conclusions of law, and any appropriate orders. The determinations shall be the final decision of the commissioner and may be appealed to the board by any party. The rules of procedure prescribed by the board commissioner shall provide affected employees or authorized representatives of affected employees an opportunity to participate as parties to hearings under this subdivision. Upon receipt of notice of hearing under this subdivision, the employer shall serve such notice as required by rule.

Sec. 71. Minnesota Statutes 1990, section 182.661, subdivision 3a, is amended to read:

Subd. 3a. As prescribed in rules issued by the board commissioner, each notice of intent to contest the citation, proposed assessment of penalty, or period of time fixed in the citation for correction of the violation shall be prominently posted at or near each place a

violation referred to in the citation occurred or served on affected employers, employees, and authorized employee representatives. If the contesting employer, employee, or authorized employee representation representative fails to post or serve the notice of intent to contest the citation, the proposed assessment of penalty, or the period of time fixed for correction of the violation within the time prescribed in rules issued by the board commissioner, the board administrative law judge may render a default judgment in favor of the commissioner.

Sec. 72. Minnesota Statutes 1990, section 182.661, is amended by adding a subdivision to read:

Subd. 3b. [SERVICE OF NOTICES.] The contesting party shall serve a copy of the notice of contest and notice to employees, on forms provided by the commissioner, upon unrepresented affected employees and authorized employee representatives on or before the date the notice of contest is filed with the commissioner. For purposes of this section, a document is considered filed upon receipt by the commissioner.

Sec. 73. Minnesota Statutes 1990, section 182.661, is amended by adding a subdivision to read:

Subd. 5. [SETTLEMENT.] Where the parties resolve a contested matter by settlement agreement, the contesting party shall serve a copy of the agreement upon affected employees and authorized employee representatives. Affected employees and authorized employee representatives may file, with the commissioner, an objection to the settlement agreement. The objections must be filed within ten calendar days after service of the agreement. Upon receipt of an objection to a settlement agreement, the commissioner may refer the agreement to the office of administrative hearings for assignment to an administrative law judge who shall give consideration to the objection before approving or disapproving the agreement. If no timely objection is made, the settlement agreement becomes a final order of the commissioner.

Sec. 74. Minnesota Statutes 1990, section 182.661, is amended by adding a subdivision to read:

Subd. 6. [COMPLAINT AND ANSWER.] The commissioner shall serve a complaint on all parties no later than 90 calendar days after receiving a notice of contest. The contesting party shall serve an answer on all the parties within 20 calendar days after service of the complaint.

Sec. 75. Minnesota Statutes 1990, section 182.664, subdivision 3, is amended to read:

Subd. 3. The review board or its appointed administrative law judges may hold hearings at places of convenience to the parties concerned shall review and decide appeals from final decisions and orders of the commissioner, including decisions issued by administrative law judges, petitions to vacate final orders of the commissioner, and with the agreement of the parties, may review and decide petitions for decisions based on stipulated facts. The powers of the board in the conduct of hearings, including the power to administer oaths and subpoena persons sign decisions and orders, may be exercised on its behalf by delegated to a member, members, or an administrative law judge appointed by the board chair. The board may administer oaths and subpoena persons, including parties, as witnesses and may compel them to produce documentary evidence for hearings schedule a hearing for purposes of taking oral argument. A notice stating the time and place of the hearing must be given ten days in advance of such a hearing to the parties and copies of the notice of such hearing shall be posted served by the employer at such places as rules of the board shall require. The hearings shall be open to the public and the records of hearings board's decisions and orders shall be maintained and available for examination. The hearing shall be conducted in compliance with rules contained in chapter 14. The rules of the board shall provide affected employers, employees or their representatives an opportunity to participate as parties provided they file notice at least five days before the start of the hearing.

Sec. 76. Minnesota Statutes 1990, section 182.664, subdivision 5, is amended to read:

Subd. 5. For the purpose of carrying out its functions under this chapter, two members of the board shall constitute a quorum and official action can be taken only on the affirmative vote of at least two members. The findings decisions and decision orders of an administrative law judge, or final orders of the commissioner, may be appealed to the review board by the employer, employee, or their authorized representatives or any party, within 30 days following publication service by mail of the administrative law judge's findings decision and decision order, or final order of the commissioner. The review board shall have authority to revise, confirm, or reverse the findings decision and decision order of administrative law judges, or to vacate and remand final orders of the commissioner. The board shall only vacate a final order of the commissioner upon a showing of good cause. For purposes of this section, good cause is limited to fraud, mistake of fact or law, or newly discovered evidence.

Sec. 77. Minnesota Statutes 1990, section 182.666, subdivision 1, is amended to read:

Subdivision 1. Any employer who willfully or repeatedly violates the requirements of section 182.653, or any standard, rule, or order

~~promulgated~~ adopted under the authority of the commissioner as provided in this chapter, may be assessed a fine not to exceed ~~\$20,000~~ \$70,000 for each violation. The minimum fine for a willful violation is \$5,000.

Sec. 78. Minnesota Statutes 1990, section 182.666, subdivision 2, is amended to read:

Subd. 2. Any employer who has received a citation for a serious violation of its duties under section 182.653, or any standard, rule, or order ~~promulgated~~ adopted under the authority of the commissioner as provided in this chapter, shall be assessed a fine not to exceed ~~\$2,000~~ \$7,000 for each ~~such~~ violation. If ~~such~~ the violation causes or contributes to the cause of the death of an employee, the employer shall be assessed a fine of up to \$10,000.

Sec. 79. Minnesota Statutes 1990, section 182.666, subdivision 3, is amended to read:

Subd. 3. Any employer who has received a citation for a violation of its duties under section 182.653, subdivisions 2 to 4, where ~~such~~ the violation is specifically determined not to be of a serious nature as provided in section 182.651, subdivision 12, may be assessed a fine of up to ~~\$2,000~~ \$7,000 for each ~~such~~ violation.

Sec. 80. Minnesota Statutes 1990, section 182.666, subdivision 4, is amended to read:

Subd. 4. Any employer who fails to correct a violation for which a citation has been issued under section 182.66 within the period permitted for its correction, which period shall not begin to run until the date of the final order of the ~~board~~ commissioner in the case of any review proceedings under this chapter initiated by the employer in good faith and not solely for delay or avoidance of penalties, may be assessed a fine of not more than ~~\$2,000~~ \$7,000 for each day during which ~~such~~ the failure or violation continues.

Sec. 81. Minnesota Statutes 1990, section 182.666, subdivision 5, is amended to read:

Subd. 5. Any employer who violates any of the posting requirements, as prescribed under this chapter, except those prescribed under section 182.661, subdivision 3a, shall be assessed a fine of up to ~~\$2,000~~ \$7,000 for each violation.

Sec. 82. Minnesota Statutes 1990, section 182.666, subdivision 5a, is amended to read:

Subd. 5a. Any employer who knowingly violates section 182.6575 shall be assessed a fine of up to ~~\$2,000~~ \$7,000 for each violation. The

employer shall also be liable to each aggrieved employee for civil punitive damages of \$400.

Sec. 83. Minnesota Statutes 1990, section 182.669, subdivision 1, is amended to read:

Subdivision 1. Any employee believed to have been discharged or otherwise discriminated against by any person because such employee has exercised any right authorized under the provisions of sections 182.65 to 182.674, may, within 30 days after such alleged discrimination occurs, file a complaint with the commissioner alleging the discriminatory act. Upon receipt of such complaint, the commissioner shall cause such investigation to be made as the commissioner deems appropriate. If upon such investigation the commissioner determines that a discriminatory act was committed against an employee, the commissioner shall refer the matter to the office of administrative hearings for a hearing before an administrative law judge pursuant to the provisions of chapter 14. For purposes of this section, the commissioner shall file with the administrative law judge and serve upon the respondent, by registered or certified mail, a complaint and written notice of hearing. The respondent shall file with the administrative law judge and serve upon the commissioner, by registered or certified mail, an answer within 20 days after service of the complaint. In all cases where the administrative law judge finds that an employee has been discharged or otherwise discriminated against by any person because the employee has exercised any right authorized under sections 182.65 to 182.674, the administrative law judge may order payment to the employee of back pay and compensatory damages. The administrative law judge may also order rehiring of the employee; reinstatement of the employee's former position, fringe benefits, and seniority rights; and other appropriate relief. In addition, the administrative law judge may order payment to the commissioner or to the employee of costs, disbursements, witness fees, and attorney fees. Interest shall accrue on, and be added to, the unpaid balance of an administrative law judge's order from the date the order is signed by the administrative law judge until it is paid, at the annual rate provided in section 549.09, subdivision 1, paragraph (c). An employee may bring a private action in the district court for relief under this section.

Sec. 84. Minnesota Statutes 1990, section 184.28, subdivision 2, is amended to read:

Subd. 2. The department shall hold such examinations at such times and places as it shall determine. An examination fee of \$10 \$20 shall be paid by each applicant in addition to the license fee, which examination fee shall be retained by the department whether or not the applicant passes the examination. The examination fee shall be forfeited if the applicant does not take the examination within six months of the application date. The examination fee of

~~\$10~~ \$20 shall cover the costs of preparing and printing the examinations and the cost of giving each person taking the examination a copy of the latest rules. Rules shall be kept on the premises readily available to the counselor, manager, or agent.

Sec. 85. Minnesota Statutes 1990, section 184.29, is amended to read:

184.29 [FEES.]

Before a license is granted to an applicant, the applicant shall pay the following fee:

(a) An employment agent shall pay an annual license fee of ~~\$200~~ \$250 for each license.

(b) A search firm exempt under section 184.22, subdivision 2, shall pay an annual registration fee of ~~\$200~~ \$250, accompanying the annual statement to the commissioner.

(c) An applicant for a counselor's license shall pay a license fee of ~~\$10~~ \$20 and a renewal fee of ~~\$5~~ \$10.

(d) An applicant for an employment agency manager's license shall pay a license fee of ~~\$10~~ \$20 and a renewal fee of ~~\$5~~ \$10.

Sec. 86. Minnesota Statutes 1990, section 184A.09, is amended to read:

184A.09 [LICENSE FEES.]

Before a license shall be granted to an applicant, the applicant shall pay a filing fee of \$25 and a license fee of ~~\$200~~ \$250.

An application for consent to transfer or assign a license shall be accompanied by a \$25 filing fee.

Sec. 87. Minnesota Statutes 1990, section 239.78, is amended to read:

239.78 [INSPECTION FEES.]

An inspection fee shall be charged on petroleum products when received by the distributor, and on petroleum products received and held for sale or use by any person when the petroleum products have not previously been received by a licensed distributor. The department shall adjust the inspection fee to recover the ~~amount~~ amounts appropriated for petroleum product quality inspection expenses ~~and the amount appropriated~~, for the inspection and testing of petroleum product measuring devices as required by this chapter, and for

petroleum supply monitoring under chapter 216C. The department shall review and adjust the inspection fee as required by section 16A.128, except the review of the fee shall occur annually on or before January 1.

The commissioner of revenue shall credit the distributor for inspection fees previously paid in error or for any material exported or sold for export from the state upon filing of a report in a manner approved by the department. The commissioner of revenue is authorized to collect the inspection fees along with any taxes due under chapter 296.

Sec. 88. Minnesota Statutes 1990, 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. 89. Minnesota Statutes 1990, 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. 90. Minnesota Statutes 1990, section 240.02, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION.] The compensation of commission members is ~~\$35 per~~ for each day spent on commission activities, when authorized by the commission, shall be the same as compensation provided for other members of boards and commissions under section 15.0575, subdivision 3, plus expenses in the same manner and amount as provided in the commissioner's plan adopted according to section 43A.18, subdivision 2.

Sec. 91. Minnesota Statutes 1990, 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. 92. Minnesota Statutes 1990, section 240.155, is amended to read:

240.155 [REIMBURSEMENT ACCOUNT ACCOUNTS AND PROCEDURES.]

Subdivision 1. [REIMBURSEMENT ACCOUNT CREDIT.] Money received by the commission as reimbursement for the costs of services provided by assistant veterinarians and stewards must be deposited in the state treasury and credited to a racing commission reimbursement account, except as provided under subdivision 2. Receipts are appropriated to the commission to pay the costs of providing the services.

Subd. 2. [GENERAL FUND CREDIT.] Money received by the commission as reimbursement for the compensation of a steward who is an employee of the commission for which a general fund appropriation has been made must be credited to the general fund.

Sec. 93. Minnesota Statutes 1990, 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.

Sec. 94. Minnesota Statutes 1990, 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~~ February 15 of each fiscal year. The commissioner of finance must make each transfer based upon the actual receipts of the preceding six calendar months and include the interest earned during that six-month period. The commissioner of finance may establish a quarterly or other schedule providing for more frequent payments to the transit assistance fund if the commissioner determines it is necessary or desirable to provide for the cash flow needs of the recipients of money from the transit assistance fund.

(b) ~~Twenty-five~~ Ten and ~~sixty-seven~~ hundredths percent of the money collected and received under this chapter after June 30, 1990, and before July 1, 1991, 1993 must be transferred to the ~~highway user tax distribution trunk~~ highway fund and the transit assistance fund for apportionment as follows: 75 percent must be transferred to the ~~highway user tax distribution trunk~~ highway 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 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~~ February 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~~ trunk highway 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 ~~these~~ fiscal years the amount of reduction in the transfer to the ~~highway user tax distribution~~ trunk highway 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~~ trunk highway 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~~ trunk highway fund for that six-month period.

Sec. 95. Minnesota Statutes 1990, section 299F.57, subdivision 1a, is amended to read:

Subd. 1a. [ADOPTION OF FEDERAL STANDARDS.] The federal safety standards adopted as Code of Federal Regulations, title 49, parts 191, 192, ~~and 193,~~ and 199, and standards that may be adopted that amend parts 191, 192, ~~and 193,~~ and 199, are adopted as minimum safety standards.

Sec. 96. Minnesota Statutes 1990, section 299F.641, subdivision 2, is amended to read:

Subd. 2. [FEDERAL STANDARDS ADOPTED.] The federal safety standards adopted as Code of Federal Regulations, title 49, ~~part~~ parts 195 and 199, and standards that may be adopted that

amend ~~part parts~~ 195 and 199, are adopted as minimum safety standards. The commissioner may by rule adopt additional or more stringent safety standards for intrastate hazardous liquid pipeline facilities and the transportation of hazardous liquids associated with those facilities, if the state standards are compatible with the federal standards. The standards may not prescribe the location or routing of a pipeline facility.

Sec. 97. Minnesota Statutes 1990, section 299K.07, is amended to read:

299K.07 [NOTIFICATION TO EMERGENCY RESPONSE MANAGEMENT CENTER.]

(a) The notification of the commission required under the federal act shall be made to the state emergency ~~response~~ management center. The owner or operator of a facility shall immediately notify the state emergency ~~response~~ management center of the release of a reportable quantity of the following materials:

(1) a hazardous substance on the list established under United States Code, title 42, section 9602; or

(2) an extremely hazardous substance on the list established under United States Code, title 42, section 11002.

(b) This section does not apply to a release that results in exposure to persons solely within the site or sites on which a facility is located or to a release specifically authorized by state law.

(c) A person who is required to report to or notify a state agency of a discharge, release, or incident under section 221.034, chapter 18B, 18C, 18D, 115, 115A, 115B, 115C, 115D, 116, 299J, or 299K, or any other statute, administrative rule or federal rule may satisfy the requirement to report by notifying the emergency management center established in this section. The commissioner of the department of public safety shall ensure that the center is staffed with adequate personnel to answer all calls 24 hours a day and that those staff are adequately trained to efficiently notify all appropriate state and federal agencies with jurisdiction over the discharge or release, and provide emergency responder information. No state agency may adopt a rule or guideline that requires a person who notifies the emergency management center to also notify that agency. The commissioner of each affected state agency shall include the telephone number of the emergency management center in all files, permits, correspondence, educational publications, and other communications with the public and other persons, and shall designate personnel to coordinate receipt of reports or notifications with emergency management center personnel.

Sec. 98. Minnesota Statutes 1990, section 299K.09, subdivision 2, is amended to read:

Subd. 2. [FEE STRUCTURE.] The fee established under subdivision 1 may not exceed, in the aggregate, the amount necessary to cover the costs for all data management, including administration of fees, by the commission and regional review committees, and a portion of the costs of operation of the emergency management center.

Sec. 99. Minnesota Statutes 1990, section 336.9-413, is amended to read:

336.9-413 [UNIFORM COMMERCIAL CODE ACCOUNT.]

(a) The uniform commercial code account is established as an account in the state treasury.

(b) The filing officer with whom a financing statement, amendment, assignment, statement of release, or continuation statement is filed, or to whom a request for search is made, shall collect a ~~\$\$~~ \$4 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.

(e) Fees that are not expressly set by statute but are charged by the secretary of state to offset the costs of providing information contained in the computerized records maintained by the secretary of state must be deposited in the state treasury and credited to the uniform commercial code account.

(f) Money in the uniform commercial code account is continuously appropriated to the secretary of state to implement and maintain the computerized uniform commercial code filing system under section 336.9-411 and to provide electronic-view-only access to other computerized records maintained by the secretary of state.

Sec. 100. Minnesota Statutes 1990, section 349.12, subdivision 10, is amended to read:

Subd. 10. [DIRECTOR.] "Director" is the director of the ~~division of~~ gambling control board.

Sec. 101. Minnesota Statutes 1990, section 349.151, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] (a) Until July 1, 1991, the board consists of six 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 for a term expiring June 30, 1993.

(b) On and after July 1, 1991, the board consists of seven members, as follows: (1) those members appointed by the governor before July 1, 1991, whose terms expire June 30, 1992, June 30, 1993, and June 30, 1994; (2) one member appointed by the governor for a term expiring June 30, 1994; (3) one member appointed by the commissioner of public safety for a term expiring June 30, 1995; and (4) one member appointed by the attorney general for a term expiring June 30, 1995.

(c) All appointments under this subdivision are with the advice and consent of the senate.

(d) After expiration of the initial terms, appointments are for four years.

(e) 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.

Sec. 102. Minnesota Statutes 1990, section 349A.01, subdivision 5, is amended to read:

Subd. 5. [DIRECTOR.] "Director" is the director of the state lottery ~~division~~.

Sec. 103. Minnesota Statutes 1990, 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. 104. Minnesota Statutes 1990, 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. 105. Minnesota Statutes 1990, section 349A.03, subdivision 1, is amended to read:

Subdivision 1. [BOARD CREATED.] There is created ~~within the division~~ 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. 106. Minnesota Statutes 1990, section 349A.10, subdivision 5, is amended to read:

Subd. 5. [DEPOSIT OF NET PROCEEDS.] Within 30 days after the end of each month, the director shall deposit in the state treasury the net proceeds of the lottery, which is the balance in the lottery fund after transfers to the lottery prize fund and credits to the lottery operations account. Of the net proceeds, 40 percent must be credited to the Minnesota environment and natural resources trust fund, ~~28.3 percent must be credited to the infrastructure development fund for capital improvement projects at state institutions of higher education~~, ~~6.7 percent must be credited to the infrastructure development fund for capital improvement projects to develop or protect the state's environment and natural resources~~, and, through the first ten full fiscal years during which proceeds from the lottery are received, ~~25 percent must be credited to the Greater Minnesota account in the special revenue fund and the remainder must be credited to the general fund~~.

Sec. 107. Minnesota Statutes 1990, section 626.861, subdivision 1, is amended to read:

Subdivision 1. [LEVY OF ASSESSMENT.] There is levied a penalty assessment of ~~ten~~ 12 percent on each fine imposed and collected by the courts of this state for traffic offenses in violation of

chapters 168 to 173 or equivalent local ordinances, other than a fine or forfeiture for a violation of a local ordinance or other law relating to the parking of a vehicle. In cases where the defendant is convicted but a fine is not imposed, or execution of the fine is stayed, the court shall impose a penalty assessment of not less than \$5 nor more than \$10 when the conviction is for a misdemeanor or petty misdemeanor, and shall impose a penalty assessment of not less than \$10 but not more than \$50 when the conviction is for a gross misdemeanor or felony. Where multiple offenses are involved, the penalty assessment shall be assessed separately on each offense for which the defendant is sentenced. If imposition or execution of sentence is stayed for all of the multiple offenses, the penalty assessment shall be based upon the most serious offense of which the defendant was convicted. Where the court suspends a portion of a fine, the suspended portion shall not be counted in determining the amount of the penalty assessment unless the offender is ordered to pay the suspended portion of the fine. Suspension of an entire fine shall be treated as a stay of execution for purposes of computing the amount of the penalty assessment.

Sec. 108. Minnesota Statutes 1990, 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 30 percent may be provided for reimbursement to board approved skills courses.

(b) Up to 15 percent may be used for the school of law enforcement.

(c) 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. 109. [REVISOR INSTRUCTIONS.]

Subdivision 1. The revisor shall change the following terms in Minnesota Statutes and Minnesota Rules to reflect the intent of this act to abolish the department of gaming and the divisions within it:

(1) "division" or similar term to "commission" or similar term wherever it appears in reference to the Minnesota racing commission;

(2) “division” or similar term to “board” or similar term in reference to the gambling control board; and

(3) “division” or similar term to “lottery” or similar term in reference to the state lottery board.

Subd. 2. In the next edition of Minnesota Statutes, the revisor of statutes shall delete the term “division” where it appears:

(1) in Minnesota Statutes, sections 349.153; 349.163, subdivision 4; 349.167, subdivision 4; 349.169, subdivision 2; and 349.18, subdivision 1, and insert the term “board”; and

(2) in Minnesota Statutes, sections 349A.02, subdivisions 4, 5, 6, and 8; 349A.06, subdivisions 2 and 5; 349A.08, subdivision 7; 349A.10, subdivisions 3 and 4; 349A.11; and 349A.12, and insert the term “lottery”.

Sec. 110. [REPEALER.]

(a) Laws 1989, chapter 322, section 7, is repealed.

(b) Minnesota Statutes 1990, section 182.664, subdivision 2, is repealed.

(c) Minnesota Statutes 1990, sections 240.01, subdivision 15; 349.12, subdivision 12; 349A.01, subdivisions 3, 4, and 6; and 349B.01, are repealed.

Sec. 111. [EFFECTIVE DATE.]

(a) Sections 33 and 110, paragraph (a), are effective the day following final enactment.

(b) Sections 63; 64; 65; 66; 67; 68; 69; 70; 71; 72; 73; 74; 75; 76; 77; 78; 79; 80; 81; 82; 83; and 110, paragraph (b), are effective August 1, 1991.

(c) Sections 43 and 44 are effective July 1, 1992.

(d) All other provisions of this article are effective July 1, 1991.”

Delete the title and insert:

“A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for regulation of certain activities and practices; providing for certain rights-of-way; requiring studies and reports; fixing and limiting

accounts and fees; amending Minnesota Statutes 1990, sections 10A.02, by adding a subdivision; 12.14; 15A.081, subdivision 1; 16A.662, subdivisions 2, 4, and 5; 60A.14, subdivision 1; 60A.17, subdivision 1d; 72B.04, subdivision 7; 80C.04, subdivision 1; 80C.07; 80C.08, subdivision 1; 82.22, subdivisions 1, 5, 10, and 11; 115C.09, by adding a subdivision; 129D.04, by adding subdivisions; 129D.05; 138.91; 138.94; 162.02, subdivision 12; 168C.04; 171.06, subdivision 2a; 171.26; 174.24, by adding a subdivision; 182.651, by adding subdivisions; 182.653, subdivision 9; 182.661, subdivisions 1, 2, 2a, 3, 3a, and by adding subdivisions; 182.664, subdivisions 3 and 5; 182.666, subdivisions 1, 2, 3, 4, 5, and 5a; 182.669, subdivision 1; 184.28, subdivision 2; 184.29; 184A.09; 239.78; 240.02, subdivisions 1, 2, and 3; 240.06, subdivision 8; 240.155; 240.28; 297B.09, subdivision 1; 299F.57, subdivision 1a; 299F.641, subdivision 2; 299K.07; 299K.09, subdivision 2; 336.9-413; 349.12, subdivision 10; 349.151, subdivision 2; 349A.01, subdivisions 5 and 9; 349A.02, subdivision 1; 349A.03, subdivision 1; 349A.10, subdivision 5; and 626.861, subdivisions 1 and 4; Laws 1989, chapter 269, sections 11, subdivision 7; and Laws 1990, chapter 610, article 1, section 13, subdivision 4; repealing Minnesota Statutes 1990, sections 182.664, subdivision 2; 240.01, subdivision 15; 349.12, subdivision 12; 349A.01, subdivisions 3, 4, and 6; and 349B.01; and Laws 1989, chapter 322, section 7."

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

House Conferees: JAMES I. RICE, BERNARD L. "BERNIE" LIEDER, JOHN J. SARNA, HENRY J. KALIS AND ART SEABERG.

Senate Conferees: KEITH LANGSETH, GARY M. DECRAMER, TRACY L. BECKMAN, LYLE G. MEHRKENS AND JAMES P. METZEN.

Rice moved that the report of the Conference Committee on H. F. No. 53 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 53, A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for regulation of certain activities and practices; providing for certain rights-of-way; requiring studies and reports; fixing and limiting accounts and fees; amending Minnesota Statutes 1990, sections 10A.02, by adding a subdivision; 12.14; 15A.081, subdivision 1; 16A.662, subdivisions 2, 4, and 5; 41A.09, subdivision 3; 60A.14, subdivision 1; 60A.17, subdivision 1d; 72B.04, subdivision 7; 80C.04, subdivision 1; 80C.07; 80C.08, subdivision 1; 82.22, subdivisions 1, 5, 10, and 11; 115C.09, by adding a subdivision; 129D.04, by adding subdivisions; 129D.05; 138.91; 138.94; 162.02, subdivision 12; 168C.04; 171.06, subdivision 2a; 171.26; 182.651, by

adding subdivisions; 182.661, subdivisions 1, 2, 2a, 3, 3a, and by adding subdivisions; 182.664, subdivisions 3 and 5; 182.666, subdivisions 1, 2, 3, 4, 5, and 5a; 182.669, subdivision 1; 184.28, subdivision 2; 184.29; 184A.09; 239.78; 240.02, subdivisions 2 and 3; 240.06, subdivision 8; 240.155; 240.28; 297B.09, subdivision 1; 299F.57, subdivision 1a; 299F.641, subdivision 2; 299K.07; 299K.09, subdivision 2; 336.9-413; 349.12, subdivision 10; 349.151, subdivision 2; 349A.01, subdivisions 5 and 9; 349A.02, subdivision 1; 349A.03, subdivision 1; 349A.10, subdivision 5; and 626.861, subdivisions 1 and 4; Laws 1989, chapter 269, sections 11, subdivision 7; and 31; repealing Minnesota Statutes 1990, sections 182.664, subdivision 2; 240.01, subdivision 15; 349.12, subdivision 12; 349A.01, subdivisions 3, 4, and 6; and 349B.01; and Laws 1989, chapter 322, section 7.

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 35 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Dorn	Kahn	O'Connor	Segal
Anderson, R. H.	Farrell	Kalis	Olsen, S.	Simoneau
Battaglia	Frederick	Kelso	Olson, E.	Skoglund
Bauerly	Garcia	Kinkel	Olson, K.	Solberg
Beard	Girard	Krueger	Omann	Sparby
Begich	Greenfield	Lasley	Orenstein	Steensma
Bertram	Hanson	Lieder	Orfield	Swenson
Blatz	Hasskamp	Long	Osthoff	Thompson
Bodahl	Hausman	Lourey	Ostrom	Trimble
Boo	Hufnagle	Macklin	Pelowski	Tunheim
Brown	Hugoson	Mariani	Peterson	Vellenga
Carlson	Jacobs	Marsh	Pugh	Wagenius
Carruthers	Janezich	McEachern	Reding	Wejzman
Clark	Jaros	McGuire	Rest	Welle
Cooper	Jefferson	Milbert	Rice	Wenzel
Dauner	Jennings	Munger	Rodosovich	Winter
Davids	Johnson, A.	Murphy	Rukavina	Spk. Vanasek
Dawkins	Johnson, R.	Nelson, K.	Sarna	
Dille	Johnson, V.	Nelson, S.	Scheid	

Those who voted in the negative were:

Abrams	Gutknecht	Leppik	Ozment	Sviggum
Bettermann	Hartle	Limmer	Pauly	Tompkins
Dempsey	Haukoos	Lynch	Pellow	Uphus
Erhardt	Heir	McPherson	Runbeck	Valento
Frerichs	Henry	Morrison	Schreiber	Waltman
Goodno	Koppendrayner	Newinski	Smith	Weaver
Gruenes	Krinkie	Onnen	Stanius	Welker

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. 218:

Bauerly, Sarna and Goodno.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 694:

Long, Orfield and Pauly.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 977:

Solberg, Pugh and Johnson, V.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 506:

Osthoff, Scheid, Brown, Sviggum and Reding.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 525:

Vellenga, Orenstein, Marsh, Solberg and Jefferson.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 764:

Osthoff, Scheid and Gutknecht.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 783:

Dille, Kahn and Cooper.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 785:

Jacobs, Skoglund and Boo.

CONFERENCE COMMITTEE REPORT ON H. F. NO. 21

A bill for an act relating to waste management; requiring air emission permits for new or expanded infectious waste incinerators; requiring environmental impact statements for the incinerators until new rules are adopted; proposing coding for new law in Minnesota Statutes, chapter 116.

May 16, 1991

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. 21, 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. 21 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section. 1. [116.801] [INCINERATION OF INFECTIOUS WASTE; PERMIT REQUIRED.]

(a) Except as provided in paragraph (b), a person may not construct, or expand the capacity of, a facility for the incineration of infectious waste, as defined in section 116.76, without having obtained an air emission permit from the agency.

(b) This section does not affect permit requirements under the rules of the agency for an incinerator that is upgraded to meet pollution control standards or an incinerator with a capacity of 350 pounds or less per hour that is planned to manage waste generated primarily by the owner or operator of the incinerator.

Sec. 2. [INCINERATION OF INFECTIOUS WASTE; ENVIRONMENTAL IMPACT.]

Until the pollution control agency adopts revisions to its air emission rules for incinerators, a new or expanded facility for the incineration of infectious waste that is subject to the permit requirement in section 1 may not receive a permit until an environmental impact statement for the facility has been prepared and approved. The pollution control agency is the governmental unit responsible for preparation of an environmental impact statement required under this section.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective March 1, 1991, and applies to construction begun on or after that date. Section 2 is effective the day following final enactment.

Delete the title and insert:

“A bill for an act relating to waste management; requiring air emission permits for new or expanded infectious waste incinerators; requiring environmental impact statements for the incinerators until new rules are adopted; proposing coding for new law in Minnesota Statutes, chapter 116.”

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

House Conferees: JEFF BERTRAM, BOB MCEACHERN AND TONY ONNEN.

Senate Conferees: JOE BERTRAM, SR., JOHN BERNHAGEN AND JANET B. JOHNSON.

Bertram moved that the report of the Conference Committee on H. F. No. 21 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 21, A bill for an act relating to waste management; requiring air emission permits for new or expanded infectious waste incinerators; requiring environmental impact statements for the incinerators until new rules are adopted; proposing coding for new law in Minnesota Statutes, chapter 116.

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	Boo	Dorn	Hanson	Jaros
Anderson, I.	Brown	Erhardt	Hartle	Jefferson
Anderson, R. H.	Carlson	Farrell	Hasskamp	Jennings
Battaglia	Carruthers	Frederick	Haukoos	Johnson, A.
Bauerly	Clark	Frerichs	Hausman	Johnson, R.
Beard	Cooper	Garcia	Heir	Johnson, V.
Begich	Dauner	Girard	Henry	Kahn
Bertram	Davids	Goodno	Hufnagle	Kalis
Bettermann	Dawkins	Greenfield	Hugoson	Kelso
Blatz	Dempsey	Gruenes	Jacobs	Kinkel
Bodahl	Dille	Gutknecht	Janezich	Knickerbocker

Koppendrayer	McPherson	Orfield	Scheid	Trimble
Krinkie	Milbert	Osthoff	Schreiber	Tunheim
Krueger	Morrison	Ostrom	Seaberg	Uphus
Lasley	Munger	Ozment	Segal	Valento
Leppik	Murphy	Pauly	Simoneau	Vellenga
Lieder	Nelson, K.	Pellow	Skoglund	Wagenius
Limmer	Nelson, S.	Pelowski	Smith	Waltman
Long	Newinski	Peterson	Solberg	Weaver
Lourey	O'Connor	Pugh	Sparby	Wejcman
Lynch	Olsen, S.	Reding	Stanius	Welker
Macklin	Olson, E.	Rest	Steensma	Welle
Mariani	Olson, K.	Rice	Sviggum	Wenzel
Marsh	Omann	Rodosovich	Swenson	Winter
McEachern	Onnen	Rukavina	Thompson	Spk. Vanasek
McGuire	Orenstein	Runbeck	Tompkins	

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 326

A bill for an act relating to elections; providing for time off to vote in primaries; amending Minnesota Statutes 1990, section 204C.04.

May 16, 1991

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. 326, 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. 326 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 204C.04, is amended to read:

204C.04 [EMPLOYEES; TIME OFF TO VOTE.]

Subdivision 1. [RIGHT TO BE ABSENT.] Every employee who is eligible to vote at a state general in an election or at an election to fill a vacancy in the office of United States senator or United States representative has the right to be absent from work for the purpose of voting during the morning of election the day of that election, without penalty or deduction from salary or wages because of the absence. An employer or other person may not directly or indirectly

refuse, abridge, or interfere with this right or any other election right of an employee.

Subd. 2. [ELECTIONS COVERED.] For purposes of this section, "election" means a regularly scheduled state primary or general election, an election to fill a vacancy in the office of United States senator or United States representative, or a presidential primary as described in section 207A.01 unless it is conducted by mail.

Subd. 3. [PENALTY.] A person who violates this section is guilty of a misdemeanor, and the county attorney shall prosecute the violation."

Delete the title and insert:

"A bill for an act relating to elections; providing for time off to vote in state primaries and the presidential primary; amending Minnesota Statutes 1990, section 204C.04."

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

House Conferees: TOM OSTHOFF, LINDA SCHEID AND RON ABRAMS.

Senate Conferees: JEROME M. HUGHES, LAWRENCE J. POGEMILLER AND DEAN E. JOHNSON.

Osthoff moved that the report of the Conference Committee on H. F. No. 326 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 326, A bill for an act relating to elections; providing for time off to vote in primaries; amending Minnesota Statutes 1990, section 204C.04.

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 124 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Abrams	Bertram	Carruthers	Dorn	Goodno
Anderson, I.	Bettermann	Clark	Erhardt	Greenfield
Anderson, R. H.	Blatz	Cooper	Farrell	Gruenes
Battaglia	Bodahl	Dauner	Frederick	Gutknecht
Bauerly	Boo	Dawkins	Frerichs	Hanson
Beard	Brown	Dempsey	Garcia	Hartle
Begich	Carlson	Dille	Girard	Hasskamp

Hausman	Krueger	Nelson, K.	Pugh	Steensma
Henry	Lasley	Nelson, S.	Reding	Swenson
Hufnagle	Leppik	Newinski	Rest	Thompson
Hugoson	Lieder	O'Connor	Rice	Tompkins
Jacobs	Limmer	Olsen, S.	Rodosovich	Trimble
Janezich	Long	Olson, E.	Rukavina	Tunheim
Jaros	Lourey	Olson, K.	Runbeck	Upphus
Jefferson	Lynch	Omann	Sarna	Valento
Jennings	Macklin	Onnen	Scheid	Vellenga
Johnson, A.	Mariani	Orenstein	Schreiber	Wagenius
Johnson, R.	Marsh	Orfield	Seaberg	Waltman
Johnson, V.	McEachern	Osthoff	Segal	Weaver
Kahn	McGuire	Ostrom	Simoneau	Wejeman
Kalis	McPherson	Ozment	Skoglund	Welle
Kelso	Milbert	Pauly	Smith	Wenzel
Kinkel	Morrison	Pellow	Solberg	Winter
Knickerbocker	Munger	Pelowski	Sparby	Spk. Vanasek
Koppendraye	Murphy	Peterson	Stanius	

Those who voted in the negative were:

Dauids	Haukoos	Krinkie	Sviggun	Welker
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The bill was repassed, as amended by Conference, and its title agreed to.

CONFERENCE COMMITTEE REPORT ON H. F. NO. 922

A bill for an act relating to crimes; imposing a duty to investigate and render aid when a person is injured in a shooting accident; imposing penalties; providing immunity from civil liability under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 609.

May 16, 1991

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. 922, 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. 922 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 97A.051, subdivision 2, is amended to read:

Subd. 2. [SUMMARY OF FISH AND GAME LAWS.] (a) The commissioner shall prepare a summary of the hunting and fishing laws and deliver a sufficient supply to county auditors to furnish one copy to each person obtaining a hunting, fishing, or trapping license.

(b) At the beginning of the summary, under the heading "Trespass," the commissioner shall summarize the trespass provisions under sections 97B.001 to 97B.945, state that conservation officers and peace officers must enforce the trespass laws, and state the penalties for trespassing.

(c) In the summary the commissioner shall, under the heading "Duty to Render Aid," summarize the requirements under section 609.662 and state the penalties for failure to render aid to a person injured by gunshot.

Sec. 2. [609.662] [SHOOTING VICTIM; DUTY TO RENDER AID.]

Subdivision 1. [DEFINITION.] As used in this section, "reasonable assistance" means aid appropriate to the circumstances, and includes obtaining or attempting to obtain assistance from a conservation or law enforcement officer, or from medical personnel.

Subd. 2. [DUTY TO RENDER AID.] (a) A person who discharges a firearm and knows or has reason to know that the discharge has caused bodily harm to another person, shall:

(1) immediately investigate the extent of the person's injuries; and

(2) render immediate reasonable assistance to the injured person.

(b) A person who violates this subdivision is guilty of a crime and may be sentenced as follows:

(1) if the injured person suffered death or great bodily harm as a result of the discharge, to imprisonment for not more than two years or to payment of a fine of not more than \$4,000, or both;

(2) if the injured person suffered substantial bodily harm as a result of the discharge, to imprisonment for not more than one year and one day or to payment of a fine of not more than \$3,000, or both;

(3) otherwise, to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

(c) Notwithstanding section 609.035 or 609.04, a prosecution for or conviction under this subdivision is not a bar to conviction of or

punishment for any other crime committed by the defendant as part of the same conduct.

Subd. 3. [DUTY OF WITNESS.] (a) A person who witnesses the discharge of a firearm and knows or has reason to know that the discharge caused bodily harm to a person shall:

- (1) immediately investigate the extent of the injuries; and
- (2) render immediate reasonable assistance to the injured person.

(b) A person who violates this subdivision is guilty of a crime and may be sentenced as follows:

(1) if the defendant was a companion of the person who discharged the firearm at the time of the discharge, to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both;

(2) otherwise, to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both.

Subd. 4. [DEFENSE.] It is an affirmative defense to a charge under this section if the defendant proves by a preponderance of the evidence that the defendant failed to investigate or render assistance as required under this section because the defendant reasonably perceived that these actions could not be taken without a significant risk of bodily harm to the defendant or others.

Subd. 5. [WITNESSES; IMMUNITY FROM CIVIL LIABILITY.] Any person who is subject to the duty imposed by subdivision 3 who, without compensation or expectation of compensation, renders assistance to the injured person, is not liable for any civil damages as a result of acts or omissions by that person in rendering the assistance unless that person acts in a willful and wanton or reckless manner in rendering the assistance. Any person who is subject to the duty imposed by subdivision 3 who renders assistance during the course of regular employment and receives compensation or expects to receive compensation for rendering the assistance, shall be excluded from the protection of this subdivision.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1991. Section 2 is effective August 1, 1991, and applies to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to crimes; imposing a duty to investigate

and render aid when a person is injured in a shooting incident; imposing penalties; providing immunity from civil liability under certain circumstances; amending Minnesota Statutes 1990, section 97A.051, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 609.”

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

House Conferees: DON OSTROM, KATHLEEN VELLENGA AND BILL MACKLIN.

Senate Conferees: DENNIS R. FREDERICKSON, WILLIAM P. LUTHER AND BOB LESSARD.

Ostrom moved that the report of the Conference Committee on H. F. No. 922 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 922, A bill for an act relating to crimes; imposing a duty to investigate and render aid when a person is injured in a shooting accident; imposing penalties; providing immunity from civil liability under certain circumstances; 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Jaros	Mariani	Ozment
Anderson, I.	Erhardt	Jefferson	Marsh	Pauly
Anderson, R. H.	Farrell	Jennings	McEachern	Pellow
Battaglia	Frederick	Johnson, A.	McGuire	Pelowski
Bauerly	Frerichs	Johnson, R.	McPherson	Peterson
Beard	Garcia	Johnson, V.	Milbert	Pugh
Begich	Girard	Kahn	Morrison	Reding
Bertram	Goodno	Kalis	Munger	Rest
Bettermann	Greenfield	Kelso	Murphy	Rice
Blatz	Gruenes	Kinkel	Nelson, K.	Rodosovich
Bodahl	Gutknecht	Knickerbocker	Nelson, S.	Rukavina
Boo	Hanson	Koppendrayner	Newinski	Runbeck
Brown	Hartle	Krinkie	O'Connor	Sarna
Carlson	Hasskamp	Krueger	Olsen, S.	Scheid
Carruthers	Haukoos	Lasley	Olsen, E.	Schreiber
Clark	Hausman	Leppik	Olson, K.	Seaberg
Cooper	Heir	Lieder	Omann	Segal
Dauner	Henry	Limmer	Onnen	Simoneau
Davids	Hufnagle	Long	Orenstein	Skoglund
Dawkins	Hugoson	Lourey	Orfield	Smith
Dempsey	Jacobs	Lynch	Osthoff	Solberg
Dille	Janezich	Macklin	Ostrom	Sparby

Stanius	Thompson	Uphus	Waltman	Welle
Steensma	Tompkins	Valento	Weaver	Wenzel
Sviggum	Trimble	Vellenga	Wejzman	Winter
Swenson	Tunheim	Wagenius	Welker	Spk. Vanasek

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

SPECIAL ORDERS

S. F. No. 837, A bill for an act relating to natural resources; amending certain provisions concerning mineral exploration, exploratory boring, and data acquired in connection therewith; amending Minnesota Statutes 1990, sections 13.793, subdivision 2; 103L601, subdivision 4; and 103L605, subdivision 4.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kelso	O'Connor	Segal
Anderson, I.	Garcia	Kinkel	Olsen, S.	Simoneau
Anderson, R. H.	Girard	Knickerbocker	Olson, E.	Skoglund
Battaglia	Goodno	Koppendrayner	Olson, K.	Smith
Bauerly	Greenfield	Krinkie	Omman	Solberg
Beard	Gruenes	Krueger	Onnen	Sparby
Begich	Gutknecht	Lasley	Orenstein	Stanius
Bertram	Hanson	Leppik	Orfield	Steensma
Bettermann	Hartle	Lieder	Osthoff	Sviggum
Blatz	Hasskamp	Limmer	Ostrom	Swenson
Bodahl	Haukoos	Long	Ozment	Thompson
Boo	Hausman	Lourey	Pauly	Tompkins
Brown	Heir	Lynch	Pellow	Trimble
Carlson	Henry	Macklin	Pelowski	Tunheim
Carruthers	Hufnagle	Mariani	Peterson	Uphus
Clark	Hugoson	Marsh	Pugh	Valento
Cooper	Jacobs	McEachern	Reding	Vellenga
Dauner	Janezich	McGuire	Rest	Wagenius
Davids	Jaros	McPherson	Rice	Waltman
Dawkins	Jefferson	Milbert	Rodosovich	Weaver
Dempsey	Jennings	Morrison	Rukavina	Wejzman
Dille	Johnson, A.	Munger	Runbeck	Welker
Dorn	Johnson, R.	Murphy	Sarna	Welle
Erhardt	Johnson, V.	Nelson, K.	Scheid	Wenzel
Farrell	Kahn	Nelson, S.	Schreiber	Winter
Frederick	Kalis	Newinski	Seaberg	Spk. Vanasek

The bill was passed and its title agreed to.

S. F. No. 425, A bill for an act relating to unclaimed property;

providing for payment of certain expenses for claims made in other states; amending Minnesota Statutes 1990, section 345.48, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 345.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kelso	O'Connor	Segal
Anderson, I.	Garcia	Kinkel	Olsen, S.	Simoneau
Anderson, R. H.	Girard	Knickerbocker	Olson, E.	Skoglund
Battaglia	Goodno	Koppendrayer	Olson, K.	Smith
Bauerly	Greenfield	Krinkie	Omann	Solberg
Beard	Gruenes	Krueger	Onnen	Sparby
Begich	Gutknecht	Lasley	Orenstein	Stanius
Bertram	Hanson	Leppik	Orfield	Steensma
Bettermann	Hartle	Lieder	Osthoff	Sviggum
Blatz	Hasskamp	Limmer	Ostrom	Swenson
Bodahl	Haukoos	Long	Ozment	Thompson
Boo	Hausman	Lourey	Pauly	Tompkins
Brown	Heir	Lynch	Pellow	Trimble
Carlson	Henry	Macklin	Pelowski	Tunheim
Carruthers	Hufnagle	Mariani	Peterson	Uphus
Clark	Hugoson	Marsh	Pugh	Valento
Cooper	Jacobs	McEachern	Reding	Vellenga
Dauner	Janezich	McGuire	Rest	Wagenius
Dauids	Jaros	McPherson	Rice	Waltman
Dawkins	Jefferson	Milbert	Rodosovich	Weaver
Dempsey	Jennings	Morrison	Rukavina	Wejcmán
Dille	Johnson, A.	Munger	Runbeck	Welker
Dorn	Johnson, R.	Murphy	Sarna	Welle
Erhardt	Johnson, V.	Nelson, K.	Scheid	Wenzel
Farrell	Kahn	Nelson, S.	Schreiber	Winter
Frederick	Kalis	Newinski	Seaberg	Spk. Vanasek

The bill was passed and its title agreed to.

S. F. No. 1128 was reported to the House.

Skoglund moved to amend S. F. No. 1128, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 65A.10, is amended to read:

65A.10 [LIMITATION.]

Subdivision 1. [BUILDINGS.] Nothing contained in sections

65A.08 and 65A.09 shall be construed to preclude insurance against the cost, in excess of actual cash value at the time any loss or damage occurs, of actually repairing, rebuilding or replacing the insured property. Subject to any applicable policy limits, where an insurer offers replacement cost insurance, the insurance must cover the cost of replacing, rebuilding, or repairing any loss or damaged property in accordance with the minimum code as required by state or local authorities. In the case of a partial loss, unless more extensive coverage is otherwise specified in the policy, this coverage applies only to the damaged portion of the property.

Subd. 2. [PERSONAL PROPERTY.] Subject to applicable policy limits, replacement cost insurance coverage for personal property must cover the cost of replacing or repairing any loss or damaged property. In the case of a partial loss, unless more extensive coverage is otherwise specified in the policy, this coverage applies only to the damaged portion of the property. If a homeowner's policy does not provide replacement cost coverage for personal property, the declarations page of the policy shall so indicate by containing the term "nonreplacement cost" defined as actual cash value.

Sec. 2. [65A.44] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] The definitions in this section apply to this section and section 3.

Subd. 2. [INSURER.] "Insurer" means an insurer licensed to write insurance and writing residential renter's insurance in this state.

Subd. 3. [RESIDENTIAL RENTER'S INSURANCE POLICY.] "Residential renter's insurance policy" means insurance coverage normally written by the insurer as a standard residential renter's package policy.

Sec. 3. [65A.45] [RESIDENTIAL RENTER'S INSURANCE POLICY.]

No insurer shall refuse to issue a single residential renter's insurance policy for the purpose of providing coverage to up to four individuals residing in the same household, if all of the individuals are named insureds on the policy and meet the insurer's normal underwriting requirements.

The motion prevailed and the amendment was adopted.

Skoglund moved to amend S. F. No. 1128, as amended, as follows:

Page 2, line 7, delete "defined as actual cash value"

The motion prevailed and the amendment was adopted.

S. F. No. 1128, A bill for an act relating to insurance; providing for replacement cost insurance coverage for personal property; prohibiting insurers from requiring more than one residential renter's insurance policy be written to cover a single household; amending Minnesota Statutes 1990, section 65A.10; proposing coding for new law in Minnesota Statutes, chapter 65A.

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	Ferichs	Kinkel	Olson, E.	Smith
Anderson, I.	Garcia	Knickerbocker	Olson, K.	Solberg
Anderson, R. H.	Girard	Koppendrayer	Omann	Sparby
Battaglia	Goodno	Krinkie	Onnen	Stanius
Bauerly	Greenfield	Krueger	Orenstein	Steensma
Beard	Gruenes	Lasley	Orfield	Sviggum
Begich	Gutknecht	Leppik	Osthoff	Swenson
Bertram	Hanson	Lieder	Ostrom	Thompson
Bettermann	Hartle	Limmer	Ozment	Tompkins
Bishop	Hasskamp	Long	Pauly	Trimble
Blatz	Haukoos	Lourey	Pellow	Tunheim
Bodahl	Hausman	Lynch	Pelowski	Uphus
Boo	Heir	Macklin	Peterson	Valento
Brown	Henry	Mariani	Pugh	Vellenga
Carlson	Hufnagle	Marsh	Reding	Wagenius
Carruthers	Hugoson	McEachern	Rest	Waltman
Clark	Jacobs	McGuire	Rice	Weaver
Cooper	Janezich	McPherson	Rodosovich	Wejzman
Dauner	Jaros	Milbert	Rukavina	Welker
Davids	Jefferson	Morrison	Runbeck	Welle
Dawkins	Jennings	Munger	Sarna	Wenzel
Dempsey	Johnson, A.	Murphy	Scheid	Winter
Dille	Johnson, R.	Nelson, K.	Schreiber	Spk. Vanasek
Dorn	Johnson, V.	Nelson, S.	Seaberg	
Erhardt	Kahn	Newinski	Segal	
Farrell	Kalis	O'Connor	Simoneau	
Frederick	Kelso	Olsen, S.	Skoglund	

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

S. F. No. 811, A bill for an act relating to retirement; providing certain survivor benefits to certain persons under the public employees retirement association police and fire plan.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Olson, E.	Smith
Anderson, I.	Garcia	Knickerbocker	Olson, K.	Solberg
Anderson, R. H.	Girard	Koppendrayner	Omann	Sparby
Battaglia	Goodno	Krinkie	Onnen	Stanias
Bauerly	Greenfield	Krueger	Orenstein	Steensma
Beard	Gruenes	Lasley	Orfield	Sviggum
Begich	Gutknecht	Leppik	Osthoff	Swenson
Bertram	Hanson	Lieder	Ostrom	Thompson
Bettermann	Hartle	Limmer	Ozment	Tompkins
Bishop	Hasskamp	Long	Pauly	Trimble
Blatz	Haukoos	Lourey	Pellow	Tunheim
Bodahl	Hausman	Lynch	Pelowski	Uphus
Boo	Heir	Macklin	Peterson	Valento
Brown	Henry	Mariani	Pugh	Vellenga
Carlson	Hufnagle	Marsh	Reding	Wagenius
Carruthers	Hugoson	McEachern	Rest	Waltman
Clark	Jacobs	McGuire	Rice	Weaver
Cooper	Janezich	McPherson	Rodosovich	Wejcman
Dauner	Jaros	Milbert	Rukavina	Welker
Davids	Jefferson	Morrison	Runbeck	Welle
Dawkins	Jennings	Munger	Sarna	Wenzel
Dempsey	Johnson, A.	Murphy	Scheid	Winter
Dille	Johnson, R.	Nelson, K.	Schreiber	Spk. Vanasek
Dorn	Johnson, V.	Nelson, S.	Seaberg	
Erhardt	Kahn	Newinski	Segal	
Farrell	Kalis	O'Connor	Simoneau	
Frederick	Kelso	Olsen, S.	Skoglund	

The bill was passed and its title agreed to.

Bauerly moved that the remaining bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Bauerly moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Rodosovich moved that the names of Jefferson and Bauerly be added as authors on H. F. No. 1699. The motion prevailed.

Segal moved that H. F. No. 685 be returned to its author. The motion prevailed.

ADJOURNMENT

Bauerly moved that when the House adjourns today it adjourn until 12:00 noon, Saturday, May 18, 1991. The motion prevailed.

Bauerly moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Saturday, May 18, 1991.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SEVENTH SESSION—1991

FIFTY-SEVENTH DAY

SAINT PAUL, MINNESOTA, SATURDAY, MAY 18, 1991

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 Senator Pat Piper, District 31, Austin, Minnesota.

The roll was called and the following members were present:

Abrams	Frederick	Kelso	Olsen, S.	Simoneau
Anderson, I.	Frerichs	Kinkel	Olson, E.	Skoglund
Anderson, R.	Garcia	Knickerbocker	Olson, K.	Smith
Anderson, R. H.	Girard	Koppendrayer	Omman	Solberg
Battaglia	Goodno	Krinkie	Onnen	Sparby
Bauerly	Greenfield	Krueger	Orenstein	Stanius
Beard	Gruenes	Lasley	Orfield	Steenasma
Begich	Gutknecht	Leppik	Osthoff	Sviggum
Bertram	Hanson	Lieder	Ostrom	Swenson
Bettermann	Hartle	Limmer	Ozment	Thompson
Bishop	Hasskamp	Long	Pauly	Tompkins
Blatz	Haukoos	Lourey	Pellow	Trimble
Bodahl	Hausman	Lynch	Pelowski	Tunheim
Boo	Heir	Macklin	Peterson	Uphus
Brown	Henry	Mariani	Pugh	Valento
Carlson	Hufnagle	Marsh	Reding	Vellenga
Carruthers	Hugoson	McEachern	Rest	Wagenius
Clark	Jacobs	McGuire	Rice	Waltman
Cooper	Janezich	McPherson	Rodosovich	Weaver
Dauner	Jaros	Milbert	Rukavina	Wejcman
Davids	Jefferson	Morrison	Runbeck	Welker
Dawkins	Jennings	Munger	Sarna	Welle
Dempsey	Johnson, A.	Murphy	Schafer	Wenzel
Dille	Johnson, R.	Nelson, K.	Scheid	Winter
Dorn	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Erhardt	Kahn	Newinski	Seaberg	
Farrell	Kalis	O'Connor	Segal	

A quorum was present.

Ogren was excused until 1:50 p.m.

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

S. F. No. 1440 and H. F. No. 1459, 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. 1440 be substituted for H. F. No. 1459 and that the House File be indefinitely postponed. The motion prevailed.

SECOND READING OF SENATE BILLS

S. F. No. 1440 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Wejcman, Bodahl and Hanson introduced:

H. F. No. 1707, A bill for an act relating to crimes; expanding the definition of drug free zones to include post-secondary and technical colleges and public housing property; requiring the sentencing guidelines commission to develop a model set of local correctional guidelines; authorizing special levies for local correctional services that do not involve incarceration; changing the name and duties of the drug abuse prevention resource council; providing incentives for judicial districts to adopt local correctional guidelines; requiring reporting of felony convictions; requiring chemical use assessments of persons convicted of felonies; requiring studies; appropriating money; amending Minnesota Statutes 1990, sections 152.01, subdivision 14a, and by adding a subdivision; 152.022, subdivision 1; 152.023, subdivision 2; 244.095, subdivisions 1 and 2; 275.50, subdivision 5; 275.51, subdivision 3f; 299A.30; 299A.31, subdivision 1; 299A.32; 401.14, by adding a subdivision; 485.16; and 609.115, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 244; repealing Minnesota Statutes 1990, sections 244.095, subdivision 3; 299A.29; and 299A.30.

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

Pauly, Vellenga, Welker and Johnson, A., introduced:

H. F. No. 1708, A bill for an act relating to state government; providing for an official state book; proposing coding for new law in Minnesota Statutes, chapter 1.

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

Kalis, Pauly, Lieder, Uphus and Orenstein introduced:

H. F. No. 1709, A bill for an act relating to transportation; authorizing municipalities to create transportation utilities; proposing coding for new law in Minnesota Statutes, chapter 444.

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

Battaglia; Solberg; Anderson, I.; Vanasek and Johnson, V., introduced:

H. F. No. 1710, A bill for an act relating to natural resources; forest practices on nonfederal forest lands; establishing a state board of forestry; an advisory board to the state board of forestry; setting forth general policies for timber management; prescribing methods of notification, actions for violations, appeals, and civil penalties; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 89A.

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

Pugh, Scheid, Boo and Jacobs introduced:

H. F. No. 1711, A bill for an act relating to insurance; credit life; regulating the amount of insurance that is sold; amending Minnesota Statutes 1990, section 62B.04, subdivision 1.

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

Seaberg, Uphus, Goodno and Waltman introduced:

H. F. No. 1712, A bill for an act relating to elections; prohibiting campaign contributions except between the time a candidate files and the day the term of the office sought begins; amending Minne-

sota Statutes 1990, section 10A.15, by adding a subdivision; and 10A.27, subdivision 1.

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

Marsh introduced:

H. F. No. 1713, A bill for an act relating to health; requiring the licensing of radiologic technologists; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Kahn, Wejzman, Clark, Dawkins and Bishop introduced:

H. F. No. 1714, A resolution memorializing Congress to direct the federal Food and Drug Administration to conduct clinical trials on the drug RU-486.

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

Lourey, Segal and Krueger introduced:

H. F. No. 1715, A bill for an act relating to human service; establishing an interactive audio-visual communication system for mental health services in the Arrowhead region; appropriating money.

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

Steensma, Gutknecht, Dauner, Welle and Nelson, S., introduced:

H. F. No. 1716, A bill for an act relating to human services; authorizing medical assistance coverage of nursing care provided to a patient in the last stage of a terminal illness; amending Minnesota Statutes 1990, section 256B.0625, subdivision 2.

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

HOUSE ADVISORIES

The following House Advisory was introduced:

Clark, Simoneau, Munger, Pelowski and Schreiber introduced:

H. A. No. 34, A proposal for a legislative investigation and evaluation of funding for lead abatement.

The advisory was referred to the Committee on Housing.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 1353, A bill for an act relating to economic development; establishing an international partnership program in the Minnesota trade office; authorizing a partnership program project; proposing coding for new law in Minnesota Statutes, chapter 116J.

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. 236, A bill for an act relating to eminent domain; allowing entry onto land for environmental testing before beginning eminent domain proceedings; amending Minnesota Statutes 1990, section 117.041.

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. 478, A bill for an act relating to elections; changing requirement of absentee ballot applications for deer hunters; facilitating voting by certain students; defining certain terms; providing for use of certain facilities for elections; clarifying uses to be made of lists of registered voters; requiring commissioner of health to report deaths to secretary of state; authorizing facsimile applications for absentee ballots; authorizing certain experimental procedures for absentee ballots and mail balloting; requiring notarized affidavits of candidacy; providing for voting methods in combined local elections; providing order of counting gray box ballots; changing time for issuance of certificates of election; clarifying effect of changing the year of municipal elections; changing certain deadlines; authorizing an experimental school board election; changing procedures for hospital district elections; amending Minnesota Statutes 1990, sections 97A.485, subdivision 1a; 200.02, by adding a subdivision; 201.061, subdivision 3; 201.091, subdivisions 1 and 4; 201.13, subdivision 1; 203B.02, by adding a subdivision; 203B.04, subdivision 1; 204B.09, subdivision 1; 204B.16, subdivision 6, and by adding a subdivision; 204B.32; 204B.35, by adding a subdivision; 204B.45, by adding a subdivision; 204C.19, subdivision 2; 204C.40, subdivision 2; 205.07, subdivision 1, and by adding a subdivision; 205.16, subdivision 4; 205A.04; 205A.07, subdivision 3; and 447.32, subdivisions 2, 3, and 4; proposing coding for new law in Minnesota Statutes, chapters 135A and 201.

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. 633, A bill for an act relating to watercraft; regulating the use and operation of personal watercraft; amending Minnesota Statutes 1990, section 86B.005, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 86B.

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. 809, A bill for an act relating to counties; fixing various fees for documents; amending Minnesota Statutes 1990, sections 357.18, subdivision 1; 508.82; and 508A.82.

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. 1, A bill for an act relating to waters; establishing a program for the enhancement, preservation, and protection of wetlands within the state; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 103A.201; 103B.311, subdivision 6; 103E.701, by adding a subdivision; 103G.005, subdivisions 15 and 18, and by adding subdivisions; 103G.221, subdivision 1; 103G.231, by adding subdivisions; and 446A.12, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 84; 103F; and 103G; repealing Minnesota Statutes 1990, section 103G.221, subdivisions 2 and 3.

The Senate has appointed as such committee:

Messrs. Davis, Merriam, Berg, Vickerman and Renneke.

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. 12, A bill for an act relating to insurance; regulating reinsurance and other insurance practices, investments, guaranty funds, and holding company systems; providing examination authority and reporting requirements; adopting various NAIC model acts and regulations; prescribing penalties; amending Minnesota Statutes 1990, sections 60A.02, by adding a subdivision; 60A.03, subdivision 5; 60A.031; 60A.07, subdivision 5d, and by adding a subdivision; 60A.09, subdivision 5, and by adding a subdivision; 60A.10, subdivision 2a; 60A.11, subdivisions 9, 10, 11, 12, 13, 14, 15,

16, 17, 18, 19, 20, 21, 22, 23, 26, and by adding a subdivision; 60A.12, by adding a subdivision; 60A.13, subdivision 1; 60A.14, subdivision 1; 60A.27; 60B.25; 60B.37, subdivision 2; 60C.02, subdivision 1; 60C.03, subdivisions 6, 8, and by adding a subdivision; 60C.04; 60C.06, subdivision 1; 60C.09, subdivision 1; 60C.13, subdivision 1; 60C.14, subdivision 2; 60E.04, subdivision 7; 61A.25, subdivisions 3, 5, 6, and by adding subdivisions; 61A.28, subdivisions 1, 2, 3, 6, 8, 11, 12, and by adding a subdivision; 61A.281, by adding a subdivision; 61A.283; 61A.29; 61A.31; 62E.14, by adding a subdivision; 61B.12, by adding subdivisions; 62D.044; 62D.045, subdivision 1; 68A.01, subdivision 2; 72A.061, subdivision 1; 79.34, subdivision 1; and 609.902, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 60A, 60D, 62A, and 72A; proposing coding for new law as Minnesota Statutes, chapters 60H, 60I, and 60J; repealing Minnesota Statutes 1990, sections 60A.076; 60A.09, subdivision 4; 60A.12, subdivision 2; 60D.01 to 60D.08; 60D.10 to 60D.13; and 61A.28, subdivisions 4 and 5.

The Senate has appointed as such committee:

Messrs. Luther, Solon, Larson and Hottinger and Ms. Flynn.

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. 20, A bill for an act relating to insurance; requiring insurers to furnish a summary of claims review findings; proposing coding for new law in Minnesota Statutes, chapter 72A.

The Senate has appointed as such committee:

Messrs. Marty, Belanger and Metzen.

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. 181, A bill for an act relating to the environment; adding reimbursement requirements for the petroleum tank release cleanup account; providing for insurance subrogation rights; amending Minnesota Statutes 1990, sections 115C.04, subdivision 3; 115C.09, subdivision 3; and 115C.10, subdivision 1.

The Senate has appointed as such committee:

Messrs. Novak and Mondale and Ms. Johnson, J. B.

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. 202, A bill for an act relating to public employees; defining the term "employee" for the purpose of the public employees labor relations act; providing for a leave of absence from public office or to employment without pay for certain elected officials; amending Minnesota Statutes 1990, sections 3.088, subdivision 1; 179A.03, subdivision 14.

The Senate has appointed as such committee:

Messrs. Chmielewski, Riveness 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. 289, A bill for an act relating to insurance; accident and health; establishing minimum loss ratios for certain noncomprehensive policies; proposing coding for new law in Minnesota Statutes, chapter 62A.

The Senate has appointed as such committee:

Messrs. Luther, Hottinger 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. 317, A bill for an act relating to marriage dissolution; clarifying procedure for modification of certain custody orders; providing for additional child support payments; providing an alternative form of satisfaction of child support obligation; imposing a fiduciary duty and providing for compensation in cases of breach of that duty; clarifying certain mediation procedures; providing for attorneys' fees in certain cases; clarifying language concerning certain motions; imposing penalties; amending Minnesota Statutes 1990, sections 518.18; 518.551, subdivision 5; 518.57, by adding a subdivision; 518.58, subdivision 1, and by adding a subdivision; 518.619, subdivision 6; 518.64, subdivision 2; and 518.641, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 518.

The Senate has appointed as such committee:

Ms. Reichgott; Messrs. Spear and Neuville.

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. 459, A bill for an act relating to crimes; providing that a claimant in a forfeiture proceeding does not have to pay a filing fee; providing for appointment of qualified interpreters in forfeiture proceedings; amending Minnesota Statutes 1990, sections 609.5314, subdivisions 2 and 3; 611.31; and 611.32.

The Senate has appointed as such committee:

Messrs. Merriam, Spear and Neuville.

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. 606, A bill for an act relating to transportation; authorizing state departments to cancel uncollectible debts up to \$200 in certain cases; allowing department of transportation to employ debt collection services; allowing department of transportation to make direct expenditures from state aid funds for administrative expenses; providing penalty for failure to pay fee for sign permit more than 30 days after fee is due; providing when estimates of certain construction projects are nonpublic data; directing the commissioner of transportation to adopt rules governing the location and break-away standards for mailbox installations; allowing white strobe lamps to be used on highway maintenance vehicles; authorizing exchange of lands with Grand Portage Band of Chippewa Indians; abolishing conflicting requirements related to market artery highways; adding a route and changing the description of a route in the state highway system; providing a penalty; amending Minnesota Statutes 1990, sections 10.12; 13.72, subdivision 1; 161.20, subdivision 4; 162.06, subdivision 2; 162.12, subdivision 2; 169.64, by adding a subdivision; and 173.13, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 169; repealing Minnesota Statutes 1990, section 169.833.

The Senate has appointed as such committee:

Ms. Johnston; Messrs. DeCramer 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. 702, A bill for an act relating to agriculture; transferring the rural finance authority to the department of agriculture; changing the makeup and certain duties and procedures of the authority; providing for an agricultural development bond program to finance agricultural business enterprises and beginning farmers; establishing a dairy upgrading program; appropriating funds; amending Minnesota Statutes 1990, sections 41B.025, subdivisions 1, 3, 5, and 6; 41B.211; 474A.02, subdivisions 13a and 23a; 474A.03, subdivision 1; 474A.061, subdivisions 1, 2b, 3, and 4; 474A.091; 474A.14; proposing coding for new law in Minnesota Statutes, chapter 41B; proposing coding for new law as Minnesota Statutes, chapter 41C.

The Senate has appointed as such committee:

Messrs. Sams, Beckman and Renneke.

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. 887, A bill for an act relating to game and fish; setting conditions under which a hunter may take two deer; amending Minnesota Statutes 1990, section 97B.301, subdivision 4.

The Senate has appointed as such committee:

Messrs. Berg, 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. 958, A bill for an act relating to agriculture; providing for development of aquaculture; amending Minnesota Statutes 1990, section 17.49; proposing coding for new law in Minnesota Statutes, chapter 17.

The Senate has appointed as such committee:

Messrs. Berg; Frederickson, D. R., and Morse.

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. 1050, A bill for an act relating to state government; requiring certain notice of proposed executive reorganization orders; permitting the commissioner of administration to lease land to a political subdivision under some circumstances; amending Minnesota Statutes 1990, sections 16B.24, subdivision 6; and 16B.37, subdivision 2.

The Senate has appointed as such committee:

Messrs. Marty, Merriam 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. 1142, A bill for an act relating to courts; regulating the use of certain tests; permitting certain punitive damages; directing the supreme court to establish an alternative dispute resolution program and adopt rules; setting conditions for alternative dispute resolution guidelines; providing for interest on arbitration awards; allowing an arbitrator or the court to modify an award based on an error of law; providing arbitration procedures; amending Minnesota Statutes 1990, sections 169.121, subdivision 6, and by adding a subdivision; 494.015; 494.03; 549.09; 572.10; 572.15; and 572.16; proposing coding for new law in Minnesota Statutes, chapter 484;

repealing Minnesota Statutes 1990, sections 484.73; 484.74; and 494.01, subdivisions 3 and 5.

The Senate has appointed as such committee:

Mr. Luther; Ms. Ranum and Mr. Halberg.

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. 345, A bill for an act relating to sexual abuse; extending the statute of limitations for intentional torts involving the sexual abuse of a minor; expanding the statute of limitations in criminal sexual conduct cases involving a minor victim and in certain criminal sexual conduct cases involving an adult victim; amending Minnesota Statutes 1990, sections 541.073; and 628.26.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Vellenga moved that the House concur in the Senate amendments to H. F. No. 345 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 345, A bill for an act relating to sexual abuse; extending the statute of limitations for intentional torts involving sexual abuse; eliminating the statute of limitations in criminal sexual conduct cases involving a minor victim and in certain criminal sexual conduct cases involving an adult victim; amending Minnesota Statutes 1990, sections 541.073; 609.3461; and 628.26.

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	Frerichs	Kinkel	Olson, E.	Skoglund
Anderson, I.	Garcia	Knickerbocker	Olson, K.	Smith
Anderson, R.	Girard	Koppendraye	Omann	Solberg
Anderson, R. H.	Goodno	Krinkie	Onnen	Sparby
Battaglia	Greenfield	Krueger	Orenstein	Stanius
Bauerly	Gruenes	Lasley	Orfield	Steensma
Beard	Gutknecht	Leppik	Osthoff	Sviggum
Begich	Hanson	Lieder	Ostrom	Thompson
Bertram	Hartle	Limmer	Ozment	Tompkins
Bettermann	Hasskamp	Long	Pauly	Trimble
Bishop	Haukoos	Lourey	Pellow	Tunheim
Blatz	Hausman	Lynch	Pelowski	Uphus
Bodahl	Heir	Macklin	Peterson	Valento
Brown	Henry	Mariani	Pugh	Vellenga
Carlson	Hufnagle	Marsh	Reding	Wagenius
Carruthers	Hugoson	McEachern	Rest	Waltman
Clark	Jacobs	McGuire	Rice	Weaver
Cooper	Janezich	McPherson	Rodosovich	Wejcmjan
Dauner	Jaros	Milbert	Rukavina	Welker
Dauids	Jefferson	Morrison	Rumbeck	Welle
Dawkins	Jennings	Munger	Sarna	Wenzel
Dempsey	Johnson, A.	Murphy	Schafer	Winter
Dille	Johnson, R.	Nelson, K.	Scheid	Spk. Vanasek
Dorn	Johnson, V.	Nelson, S.	Schreiber	
Erhardt	Kahn	Newinski	Seaberg	
Farrell	Kalis	O'Connor	Segal	
Frederick	Kelso	Olsen, S.	Simoneau	

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. 1190, A bill for an act relating to utilities; changing the time for reconciliation of assessments of utilities and telephone companies; limiting assessments against cooperative electric associations and municipal electric utilities to the maximum assessments that may be made against public utilities; adding real estate signs to the exceptions from the one call excavation notice system; amending Minnesota Statutes 1990, sections 216B.62, subdivisions 3 and 5; 216D.01, subdivision 5; and 237.295, subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Jacobs moved that the House concur in the Senate amendments to

H. F. No. 1190 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1190, A bill for an act relating to utilities; prescribing a water use permit processing fee; limiting assessments against cooperative electric associations and municipal electric utilities to the maximum assessments that may be made against public utilities; adding real estate signs to the exemptions from the one call excavation notice system; amending Minnesota Statutes 1990, sections 103G.271, subdivision 6; 216B.62, subdivision 5; and 216D.01, subdivision 5.

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	Garcia	Knickerbocker	Olson, K.	Smith
Anderson, I.	Girard	Koppendrayner	Omann	Solberg
Anderson, R. H.	Goodno	Krinkie	Onnen	Sparby
Battaglia	Greenfield	Krueger	Orenstein	Stanius
Bauerly	Gruenes	Lasley	Orfield	Steensma
Beard	Gutknecht	Leppik	Osthoff	Swiggun
Begich	Hanson	Lieder	Ostrom	Swenson
Bertram	Hartle	Limmer	Ozment	Thompson
Bettermann	Hasskamp	Long	Pauzy	Tompkins
Bishop	Haukoos	Lourey	Pellow	Trimble
Blatz	Hausman	Lynch	Pelowski	Tunheim
Bodahl	Heir	Macklin	Peterson	Uphus
Boo	Henry	Mariani	Pugh	Valento
Brown	Hufnagle	Marsh	Reding	Vellenga
Carlson	Hugoson	McEachern	Rest	Wagenius
Carruthers	Jacobs	McGuire	Rice	Waltman
Clark	Janezich	McPherson	Rodosovich	Weaver
Cooper	Jaros	Milbert	Rukavina	Wejzman
Dauner	Jefferson	Morrison	Runbeck	Welker
Davids	Jennings	Munger	Sarna	Welle
Dawkins	Johnson, A.	Murphy	Schafer	Wenzel
Dempsey	Johnson, R.	Nelson, K.	Scheid	Winter
Dorn	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Erhardt	Kahn	Newinski	Seaberg	
Farrell	Kalis	O'Connor	Segal	
Frederick	Kelso	Olsen, S.	Simoneau	
Frerichs	Kinkel	Olson, E.	Skoglund	

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. 1246, A bill for an act relating to energy; expanding

conservation improvement programs; extending protection against disconnection of residential utility customers during cold weather; improving energy efficiency by prohibiting incandescent lighting in certain exit signs; requiring applicants for certificates of need for large utility facilities to justify the use of nonrenewable rather than renewable energy; establishing energy conservation goals for state buildings; requiring a review of the state building code and energy standards; requiring a report to the legislature; authorizing conservation improvement financial incentive plans; making conforming amendments; prescribing penalties; appropriating money; amending *Minnesota Statutes 1990*, sections 16B.32; 16B.61, subdivision 3; 216B.16, subdivision 6b, and by adding a subdivision; 216B.241; 216B.243, subdivision 3, and by adding a subdivision; 216C.02, subdivision 1; and 299F.011, by adding a subdivision; proposing coding for new law in *Minnesota Statutes*, chapters 216B and 216C.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Jacobs moved that the House concur in the Senate amendments to H. F. No. 1246 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1246, A bill for an act relating to energy; expanding conservation improvement programs; extending protection against disconnection of residential utility customers during cold weather; improving energy efficiency by prohibiting incandescent lighting in certain exit signs; requiring applicants for certificates of need for large utility facilities to justify the use of nonrenewable rather than renewable energy; establishing energy conservation goals for state buildings; requiring a review of the state building code and energy standards; requiring a report to the legislature; providing transitional spending requirements; requiring studies; authorizing conservation improvement financial incentive plans; making conforming amendments; prescribing penalties; appropriating money; amending *Minnesota Statutes 1990*, sections 16B.32; 16B.61, subdivision 3; 216B.16, subdivision 6b, and by adding a subdivision; 216B.241; 216B.243, subdivision 3, and by adding a subdivision; 216C.02, subdivision 1; 239.78; and 299F.011, by adding a subdivision; proposing coding for new law in *Minnesota Statutes*, chapters 216B and 216C.

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 116 yeas and 15 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Garcia	Lasley	Orenstein	Smith
Battaglia	Gruenes	Lieder	Orfield	Solberg
Bauerly	Gutknecht	Limmer	Osthoff	Sparby
Beard	Hanson	Long	Ostrom	Stanius
Begich	Hartle	Lourey	Ozment	Steensma
Bertram	Hasskamp	Lynch	Pauly	Swenson
Bettermann	Hausman	Macklin	Pellow	Thompson
Bishop	Heir	Mariani	Pelowski	Tompkins
Blatz	Henry	Marsh	Peterson	Trimble
Bodahl	Hufnagle	McEachern	Pugh	Tunheim
Boo	Jacobs	McGuire	Reding	Valento
Brown	Janezich	Milbert	Rest	Vellenga
Carlson	Jaros	Morrison	Rice	Wagenius
Carruthers	Jefferson	Munger	Rodosovich	Waltman
Clark	Jennings	Murphy	Rukavina	Weaver
Cooper	Johnson, A.	Nelson, K.	Runbeck	Wejman
Dauner	Johnson, R.	Nelson, S.	Sarna	Welle
Dawkins	Johnson, V.	Newinski	Schafer	Wenzel
Dempsey	Kahn	O'Connor	Scheid	Winter
Dille	Kalis	Olsen, S.	Schreiber	Spk. Vanasek
Dorn	Kelso	Olson, E.	Seaberg	
Erhardt	Kinkel	Olson, K.	Segal	
Farrell	Knickerbocker	Omann	Simoneau	
Frederick	Krueger	Onnen	Skoglund	

Those who voted in the negative were:

Abrams	Dauids	Goodno	Koppendrayer	Sviggun
Anderson, R.	Frerichs	Haukoos	Krinkie	Uphus
Anderson, R. H.	Girard	Hugoson	McPherson	Welker

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. 1542, A bill for an act relating to motor vehicles; clarifying that engines may be replaced under certain conditions; amending Minnesota Statutes 1990, sections 116.63, subdivision 3; and 325E.0951, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 116.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Kahn moved that the House concur in the Senate amendments to H. F. No. 1542 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1542, A bill for an act relating to motor vehicles; clarifying that engines may be replaced under certain conditions; amending Minnesota Statutes 1990, sections 116.63, subdivision 3;

and 325E.0951, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 116.

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	Frederick	Kinkel	Olson, K.	Smith
Anderson, I.	Frerichs	Knickerbocker	Omann	Solberg
Anderson, R.	Garcia	Koppendrayer	Onnen	Sparby
Anderson, R. H.	Girard	Krinkie	Orenstein	Stanius
Battaglia	Goodno	Krueger	Orfield	Steenasma
Bauerly	Greenfield	Lasley	Osthoff	Sviggiun
Beard	Gruenes	Leppik	Ostrom	Swenson
Begich	Gutknecht	Lieder	Ozment	Thompson
Bertram	Hanson	Limmer	Pauly	Tompkins
Bettermann	Hartle	Long	Pellow	Trimble
Bishop	Hasskamp	Lourey	Pelowski	Tunheim
Blatz	Haukoos	Lynch	Peterson	Uphus
Bodahl	Hausman	Macklin	Pugh	Valento
Boo	Heir	Mariani	Reding	Vellenga
Brown	Henry	Marsh	Rest	Wagenius
Carlson	Hufnagle	McEachern	Rice	Waltman
Carruthers	Hugoson	McGuire	Rodosovich	Weaver
Clark	Jacobs	McPherson	Rukavina	Wejcman
Cooper	Janezich	Milbert	Runbeck	Welker
Dauner	Jefferson	Morrison	Sarna	Welle
Dauids	Jennings	Munger	Schafer	Wenzel
Dawkins	Johnson, A.	Murphy	Scheid	Winter
Dempsey	Johnson, R.	Nelson, S.	Schreiber	Spk. Vanasek
Dille	Johnson, V.	Newinski	Seaberg	
Dorn	Kahn	O'Connor	Segal	
Erhardt	Kalis	Olsen, S.	Simoneau	
Farrell	Kelso	Olson, E.	Skoglund	

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. 398, A bill for an act relating to elections; providing for high school students 16 years old or more to act as election judges; clarifying the right to take time off from work without penalty to serve as an election judge; amending Minnesota Statutes 1990, sections 204B.19, subdivision 1, and by adding a subdivision; and 204B.195.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Osthoff moved that the House concur in the Senate amendments to H. F. No. 398 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 398, A bill for an act relating to elections; providing for high school students 16 years old or more to act as election judges; clarifying the right to take time off from work without penalty to serve as an election judge; permitting students in polling places for educational purposes; amending Minnesota Statutes 1990, sections 204B.19, subdivision 1, and by adding a subdivision; 204B.195; 204B.27, by adding a subdivision; 204C.06, subdivision 2; and 204D.165.

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

The question was taken on the repassage of the bill and the roll was called. There were 122 yeas and 11 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kalis	Olson, E.	Segal
Anderson, I.	Frerichs	Kelso	Olson, K.	Simoneau
Anderson, R.	Garcia	Kinkel	Omann	Skoglund
Anderson, R. H.	Girard	Knickerbocker	Onnen	Smith
Battaglia	Goodno	Koppendrayer	Orenstein	Solberg
Bauerly	Greenfield	Krueger	Orfield	Sparby
Beard	Gruenes	Lasley	Osthoff	Stanius
Begich	Gutknecht	Leppik	Ostrom	Swenson
Bertram	Hanson	Lieder	Ozment	Thompson
Bertermann	Hartle	Long	Pauly	Trimble
Bishop	Hasskamp	Lourey	Pellow	Tunheim
Blatz	Hausman	Lynch	Pelowski	Uphus
Bodahl	Heir	Macklin	Peterson	Valento
Boo	Henry	Mariani	Pugh	Vellenga
Brown	Hufnagle	McEachern	Reding	Wagenius
Carlson	Hugoson	McGuire	Rest	Waltman
Carruthers	Jacobs	McPherson	Rice	Weaver
Clark	Janezich	Milbert	Rodosovich	Wejeman
Cooper	Jaros	Morrison	Rukavina	Welle
Dawkins	Jefferson	Munger	Runbeck	Wenzel
Dempsey	Jennings	Murphy	Sarna	Winter
Dille	Johnson, A.	Nelson, K.	Schafer	Spk. Vanasek
Dorn	Johnson, R.	Newinski	Scheid	
Erhardt	Johnson, V.	O'Connor	Schreiber	
Farrell	Kahn	Olsen, S.	Seaberg	

Those who voted in the negative were:

Dauner	Krinkie	Nelson, S.	Tompkins
Dauids	Limmer	Steenma	Welker
Haukoos	Marsh	Sviggum	

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. 1147, A bill for an act relating to public employment; transferring certain state employees from the unclassified to the classified service; requiring rules for evaluating the performance of arbitrators; establishing deadlines for certain steps in the arbitration process; establishing a procedure for setting the dates for meetings of arbitration panels; amending Minnesota Statutes 1990, sections 16B.88, subdivision 1; 43A.08, subdivision 1a, and by adding a subdivision; 43A.18, subdivision 4; 116K.04, subdivision 5; 144A.52, subdivision 1; 179A.05, subdivision 6; 179A.16, subdivisions 4, 6, and 7; 196.23, subdivision 1; 240A.02, subdivision 3; 241.01, subdivision 3a; 241.43, subdivisions 1 and 2; 299A.30, subdivision 1; 349A.02, subdivision 4; 446A.03, subdivision 5; Laws 1984, chapter 654, article 2, section 152, subdivision 3; and Laws 1987, chapter 386, article 1, section 11; repealing Minnesota Statutes 1990, sections 116J.615, subdivision 3; and 352D.02, subdivision 1b.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Reding moved that the House concur in the Senate amendments to H. F. No. 1147 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1147, A bill for an act relating to public employment; transferring certain state employees from the unclassified to the classified service; requiring a study; requiring rules for evaluating the performance of arbitrators; establishing deadlines for certain steps in the arbitration process; establishing a procedure for setting the dates for meetings of arbitration panels; permitting payment of money by payroll deduction to credit unions as well as payment by direct deposit to credit unions or financial institutions; amending Minnesota Statutes 1990, sections 16A.133, subdivision 1; 16B.88, subdivision 1; 43A.08, subdivisions 1, 1a, and by adding a subdivision; 43A.18, subdivision 4; 43A.37, subdivision 1; 116K.04, subdivision 5; 144A.52, subdivision 1; 179A.05, subdivision 6; 179A.16, subdivisions 4, 6, and 7; 196.23, subdivision 1; 240A.02, subdivision 3; 241.01, subdivision 3a; 241.43, subdivisions 1 and 2; 299A.30, subdivision 1; 349A.02, subdivision 4; 446A.03, subdivision 5; amending Laws 1984, chapter 654, article 2, section 152, subdivision 3; and Laws 1987, chapter 386, article 1, section 11; repealing Minnesota Statutes 1990, sections 116J.615, subdivision 3; and 352D.02, subdivision 1b.

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 93 yeas and 39 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Greenfield	Krueger	Olson, K.	Skoglund
Anderson, R.	Gutknecht	Lasley	Orenstein	Solberg
Battaglia	Hanson	Lieder	Orfield	Sparby
Bauerly	Hartle	Long	Osthoff	Steensma
Beard	Hasskamp	Lourey	Ostrom	Thompson
Bertram	Hausman	Lynch	Ozment	Tompkins
Bishop	Hugoson	Macklin	Pelowski	Trimble
Blatz	Jacobs	Mariani	Peterson	Tunheim
Bodahl	Janezich	McEachern	Pugh	Uphus
Brown	Jaros	McGuire	Reding	Vellenga
Carlson	Jefferson	Milbert	Rest	Wagenius
Carruthers	Jennings	Munger	Rice	Weaver
Clark	Johnson, A.	Murphy	Rodosovich	Wejcmán
Cooper	Johnson, R.	Nelson, K.	Rukavina	Welle
Dawkins	Johnson, V.	Nelson, S.	Runbeck	Wenzel
Dille	Kahn	Newinski	Sarna	Winter
Dorn	Kalis	O'Connor	Scheid	Spk. Vanasek
Farrell	Kelso	Olsen, S.	Segal	
Garcia	Kinkel	Olson, E.	Simoneau	

Those who voted in the negative were:

Abrams	Erhardt	Henry	McPherson	Smith
Anderson, R. H.	Frederick	Hufnagle	Morrison	Stanius
Begich	Frerichs	Knickerbocker	Omann	Sviggum
Bettermann	Girard	Koppendrayer	Onnen	Swenson
Boo	Goodno	Krinkie	Pauly	Valento
Dauner	Gruenes	Leppik	Pellow	Waltman
Davids	Haukoos	Limmer	Schafer	Welker
Dempsey	Heir	Marsh	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. 304, A bill for an act relating to labor; providing that certain hiring practices by an employer during a strike or lockout are unfair labor practices; amending Minnesota Statutes 1990, sections 179.12; and 179A.13.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Anderson, I., moved that the House concur in the Senate amendments to H. F. No. 304 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 304, A bill for an act relating to labor; providing that certain hiring practices by an employer during a strike or lockout are unfair labor practices; amending Minnesota Statutes 1990, sections 179.12; and 179A.13.

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

The question was taken on the repassage of the bill and the roll was called. There were 79 yeas and 53 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Greenfield	Lieder	Orenstein	Skoglund
Anderson, R.	Hanson	Long	Orfield	Solberg
Battaglia	Hasskamp	Lourey	Osthoff	Sparby
Bauerly	Hausman	Mariani	Ostrom	Steensma
Beard	Jacobs	McEachern	Ozment	Thompson
Begich	Janezich	McGuire	Pelowski	Tompkins
Bertram	Jaros	Milbert	Peterson	Trimble
Brown	Jefferson	Morrison	Pugh	Tunheim
Carlson	Jennings	Munger	Rest	Vellenga
Carruthers	Johnson, A.	Murphy	Rice	Wagenius
Clark	Johnson, R.	Nelson, K.	Rodosovich	Wejzman
Cooper	Kahn	Newinski	Rukavina	Welle
Dawkins	Kalis	O'Connor	Sarna	Wenzel
Dorn	Kinkel	Olsen, S.	Scheid	Winter
Farrell	Krueger	Olson, E.	Segal	Spk. Vanasek
Garcia	Lasley	Olson, K.	Simoneau	

Those who voted in the negative were:

Abrams	Erhardt	Hufnagle	Marsh	Smith
Anderson, R. H.	Frederick	Hugoson	McPherson	Stanius
Bettermann	Frerichs	Johnson, V.	Nelson, S.	Sviggum
Bishop	Girard	Kelso	Omann	Swenson
Blatz	Goodno	Knickerbocker	Onnen	Uphus
Bodahl	Gruenes	Koppendrayner	Pauly	Valento
Boo	Gutknecht	Krinkie	Pellow	Waltman
Dauner	Hartle	Leppik	Runbeck	Weaver
Davids	Haukoos	Limmer	Schafer	Welker
Dempsey	Heir	Lynch	Schreiber	
Dille	Henry	Macklin	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. 1387, A bill for an act relating to public administration; permitting certain leases; requiring that legislative hearing rooms and the house and senate chambers be fitted with devices to aid the hearing-impaired; appropriating money; amending Minnesota Statutes 1990, sections 16B.61, by adding a subdivision; and 16B.24, subdivision 6.

PATRICK E. FLAHAVERN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Runbeck moved that the House concur in the Senate amendments to H. F. No. 1387 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1387, A bill for an act relating to public buildings; requiring that legislative hearing rooms and the house and senate chambers be fitted with devices to aid the hearing-impaired; appropriating money; amending Minnesota Statutes 1990, section 16B.61, by adding a subdivision.

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

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

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Olsen, S.	Simoneau
Anderson, I.	Frerichs	Kinkel	Olson, E.	Skoglund
Anderson, R.	Garcia	Knickerbocker	Olson, K.	Smith
Anderson, R. H.	Girard	Koppendrayer	Omann	Solberg
Battaglia	Goodno	Krinkie	Onnen	Sparby
Bauerly	Greenfield	Krueger	Orenstein	Stanius
Beard	Gruenes	Lasley	Orfield	Steensma
Begich	Gutknecht	Leppik	Osthoff	Sviggum
Bertram	Hanson	Lieder	Ostrom	Swenson
Bettermann	Hartle	Limmer	Ozment	Thompson
Bishop	Hasskamp	Long	Pauly	Tompkins
Blatz	Haukoos	Lourey	Pellow	Trimble
Bodahl	Hausman	Lynch	Pelowski	Tunheim
Boo	Heir	Macklin	Peterson	Uphus
Brown	Henry	Mariani	Pugh	Valento
Carlson	Hufnagle	Marsh	Reding	Vellenga
Carruthers	Hugoson	McEachern	Rest	Wagenius
Clark	Jacobs	McGuire	Rice	Waltman
Cooper	Janezich	McPherson	Rodosovich	Weaver
Dauner	Jaros	Milbert	Rukavina	Wejcman
Davids	Jefferson	Morrison	Runbeck	Welker
Dawkins	Jennings	Munger	Sarna	Welle
Dempsey	Johnson, A.	Murphy	Schafer	Wenzel
Dille	Johnson, R.	Nelson, K.	Scheid	Winter
Dorn	Johnson, V.	Nelson, S.	Schreiber	Spk. Vanasek
Erhardt	Kahn	Newinski	Seaberg	
Farrell	Kalis	O'Connor	Segal	

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. 520, A bill for an act relating to legal services; requesting the supreme court to study the feasibility of adopting rules governing the delivery of legal services by specialized legal assistants; amending Minnesota Statutes 1990, section 481.02, subdivision 3.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Kelly, McGowan 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

Dawkins 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. 520. 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. 930, A bill for an act relating to economic development; changing the name of the Greater Minnesota Corporation; adding duties; providing for a new structure for the board of directors; amending Minnesota Statutes 1990, sections 116O.03, subdivision 2; 116O.04, subdivision 2; 116O.05, subdivision 2; and 116O.09, subdivision 3, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 116O; repealing Minnesota Statutes 1990, sections 116J.970; 116J.971; and 116O.03, subdivision 2a.

PATRICK E. FLAHAVEN, Secretary of the Senate

Krueger moved that the House refuse to concur in the Senate

amendments to H. F. No. 930, 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 has concurred in and adopted the report of the Conference Committee on:

S. F. No. 800.

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. 800

A bill for an act relating to natural resources; revising certain provisions relating to the taking, possession, and transportation of wild animals; amending Minnesota Statutes 1990, sections 97A.445, subdivision 2; 97A.535, subdivision 1; 97B.055, subdivision 3; 97B.106; and 97B.935, subdivision 3.

May 16, 1991

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. 800, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 800 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [84.967] [ECOLOGICALLY HARMFUL SPECIES; DEFINITION.]

For the purposes of section 1 to 4, “ecologically harmful exotic species” means non-native aquatic plants or wild animals that can naturalize, have high propagation potential, are highly competitive

for limiting factors, and cause displacement of, or otherwise threaten, native plants or native animals in their natural communities.

Sec. 2. [84.968] [ECOLOGICALLY HARMFUL EXOTIC SPECIES MANAGEMENT PLAN.]

By January 1, 1993, a long-term statewide ecologically harmful exotic species management plan must be prepared by the commissioner of natural resources and address the following:

(1) coordinated detection and prevention of accidental introductions;

(2) coordinated dissemination of information about ecologically harmful exotic species among resource management agencies and organizations;

(3) a coordinated public awareness campaign regarding ecologically harmful exotic animals and aquatic plants;

(4) a process, where none exists, to designate and classify ecologically harmful exotic species into the following categories:

(i) undesirable wild animals that must not be sold, propagated, possessed, or transported; and

(ii) undesirable aquatic exotic plants that must not be sold, propagated, possessed, or transported;

(5) coordination of control and eradication of ecologically harmful exotic species on public lands and public waters; and

(6) development of a list of exotic wild animal species intended for nonagricultural purposes, or propagation for release by state agencies or the private sector.

Sec. 3. [84.969] [COORDINATING PROGRAM, GRANTS, AND REGIONAL COOPERATION.]

Subdivision 1. [COORDINATING PROGRAM.] The commissioner of natural resources shall establish a statewide coordinating program to prevent and curb the spread of ecologically harmful exotic animals and aquatic plants.

Subd. 2. [GRANTS.] The coordinating program created in subdivision 1 may accept gifts, donations, and grants to accomplish its duties and must seek available federal grants through the federal Nonindigenous Aquatic Nuisance Prevention and Control Act of

1990. A portion of these funds shall be used to implement the plan under section 2.

Subd. 3. [REGIONAL COOPERATION.] The governor may cooperate, individually and regionally, with other state governors in the midwest for the purposes of ecologically harmful exotic species management and control

Sec. 4. [84.9691] [RULEMAKING.]

The commissioner of natural resources may adopt rules, including emergency rules, to restrict the introduction, propagation, use, possession, and spread of ecologically harmful exotic animals and aquatic plants in the state.

Sec. 5. Minnesota Statutes 1990, section 97A.445, subdivision 2, is amended to read:

Subd. 2. [ANGLING; INSTITUTIONAL RESIDENTS.] A license is not required to take fish by angling with the written consent of the superintendent or chief executive of the institution for the following persons:

- (1) a resident of a state hospital;
- (2) a patient of a United States Veterans Administration hospital;
- (3) an inmate of a state correctional facility; ~~and~~

(4) a resident of a licensed nursing or boarding care home, a person who is enrolled in and regularly participates in an adult day care program or other similar organized activity sponsored by a licensed nursing or boarding care home, or a resident of a licensed board and lodging facility; and

(5) a resident of a drug or alcohol residential treatment program under the age of 20.

Sec. 6. Minnesota Statutes 1990, section 97A.535, subdivision 1, is amended to read:

Subdivision 1. [TAGS REQUIRED.] A person may not possess or transport deer, bear, elk, or moose taken in the state unless a tag is attached to the carcass in a manner prescribed by the commissioner. The commissioner must prescribe the type of tag that has the license number of the owner, the year of its issue, and other information prescribed by the commissioner. The tag must be attached to the deer, bear, elk, or moose ~~when:~~

(1) ~~the animal is in a camp, or a place occupied overnight or the yard surrounding the place; or~~

(2) the animal is on a motor vehicle at the site of the kill before the animal is removed from the site of the kill, and must remain attached to the animal until the animal is processed for storage.

Sec. 7. Minnesota Statutes 1990, section 97B.055, subdivision 3, is amended to read:

Subd. 3. [HUNTING FROM VEHICLE BY DISABLED HUNTERS.] The commissioner may issue a special permit, without a fee, to discharge a firearm or bow and arrow from a stationary motor vehicle to a licensed hunter that is temporarily or permanently physically unable to walk ~~with or~~ without crutches, braces, or other mechanical support, or who has a physical disability which substantially limits the person's ability to walk. The physical disability and the substantial inability to walk must be established by medical evidence verified in writing by a licensed physician. A person with a temporary disability may be issued an annual permit and a person with a permanent disability may be issued a permanent permit.

Sec. 8. Minnesota Statutes 1990, section 97B.106, is amended to read:

97B.106 [CROSSBOW PERMITS FOR HUNTING.]

The commissioner may issue a special permit, without a fee, to take deer or turkey with a crossbow to a person that is unable to hunt by archery because of a permanent or temporary physical disability. To qualify a person for a special permit under this section, a temporary disability must render the person unable to hunt by archery for a minimum of two years after application for the permit is made. The permanent or temporary disability, established by medical evidence, and the inability to hunt by archery for the required period of time must be verified in writing by a licensed physician. The person must obtain the appropriate license. The crossbow must:

- (1) be fired from the shoulder;
- (2) deliver at least 42 foot-pounds of energy at a distance of ten feet;
- (3) have a stock at least 30 inches long;
- (4) have a working safety; and
- (5) be used with arrows or bolts at least ten inches long with a broadhead.

Sec. 9. Minnesota Statutes 1990, section 97B.935, subdivision 3, is amended to read:

Subd. 3. [SPECIAL PERMIT FOR DISABLED.] The commissioner may issue a special permit, in the manner provided in section 97B.055, subdivision 3, to use a snowmobile or all-terrain vehicle to transport or check beaver or otter traps or to transport beaver or otter carcasses or pelts to a licensed trapper physically unable to walk as specified in section 97B.055, subdivision 3.

Sec. 10. [CHECKS OF TRAILED BOATS.]

(a) The commissioner of natural resources shall establish a two-year program of at least five checks per year of trailered boats. The purpose of the checks is to inspect boats and trailers for Eurasian water milfoil fragments, and to inform and educate the boat owners about Eurasian water milfoil and other exotic species and how to prevent their spread.

(b) The commissioner shall assess the effectiveness of the program established in paragraph (a), keep records on the occurrence of Eurasian water milfoil fragments or other exotic species, and report to the legislature by January 1, 1993.

Sec. 11. [PILOT PROJECT FOR TAKING TWO DEER.]

(a) Notwithstanding Minnesota Statutes, section 97B.301, in the 1991 and 1992 hunting seasons, the commissioner must allow a person to take two deer per season, one by firearm and one by archery, in the counties of Marshall, Kittson, and Roseau. A person taking two deer under this section must obtain a license for each method of hunting.

(b) The commissioner shall conduct a study on the provisions of paragraph (a) including, but not limited to, a review of the impact on the deer population, the participation and satisfaction of hunters, and the success ratio. By February 15, 1993, the commissioner must report on the study to the house and senate committees with jurisdiction over natural resources.

Sec. 12. [TAGGING REPORT.]

The commissioner must review the tagging requirement in Minnesota Statutes, section 97A.535, subdivision 1, and report to the house and senate committees with jurisdiction over natural resources by February 15, 1993, on any recommended changes to the requirement.

Sec. 13. [EFFECTIVE DATE.]

Section 5 is effective the day following its final enactment. Sections 7 to 9 are effective August 1, 1991. Section 6 is effective August 1, 1992."

Delete the title and insert:

"A bill for an act relating to natural resources; requiring a plan and program for control of ecologically harmful species of plants and animals; revising certain provisions relating to the taking, possession, and transportation of wild animals; requiring reports; amending Minnesota Statutes 1990, sections 97A.445, subdivision 2; 97A.535, subdivision 1; 97B.055, subdivision 3; 97B.106; and 97B.935, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 84."

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

Senate Conferees: LEONARD R. PRICE, GENE MERRIAM AND BOB LESSARD.

House Conferees: BRAD STANIUS, WALLY SPARBY AND LEO J. REDING.

Stanisus moved that the report of the Conference Committee on S. F. No. 800 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 800, A bill for an act relating to natural resources; revising certain provisions relating to the taking, possession, and transportation of wild animals; amending Minnesota Statutes 1990, sections 97A.445, subdivision 2; 97A.535, subdivision 1; 97B.055, subdivision 3; 97B.106; and 97B.935, subdivision 3.

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	Bishop	Davids	Girard	Heir
Anderson, I.	Blatz	Dawkins	Goodno	Henry
Anderson, R.	Bodahl	Dempsey	Greenfield	Hufnagle
Anderson, R. H.	Boo	Dille	Gruenes	Hugoson
Battaglia	Brown	Dorn	Gutknecht	Jacobs
Bauerly	Carlson	Erhardt	Hanson	Janezich
Beard	Carruthers	Farrell	Hartle	Jaros
Begich	Clark	Frederick	Hasskamp	Jefferson
Bertram	Cooper	Frerichs	Haukoos	Jennings
Bettermann	Dauner	Garcia	Hausman	Johnson, A.

Johnson, R.	Macklin	Omann	Runbeck	Trimble
Johnson, V.	Mariani	Onnen	Sarna	Tunheim
Kahn	Marsh	Orenstein	Schafer	Uphus
Kalis	McEachern	Orfield	Scheid	Valento
Kelso	McGuire	Osthoff	Schreiber	Vellenga
Kinkel	McPherson	Ostrom	Seaberg	Wagenius
Knickerbocker	Milbert	Ozment	Segal	Waltman
Koppendrayner	Morrison	Pauly	Simoneau	Weaver
Krinkie	Munger	Pellow	Smith	Wejcmán
Krueger	Murphy	Pelowski	Solberg	Welker
Lasley	Nelson, K.	Peterson	Sparby	Welle
Leppik	Nelson, S.	Pugh	Stanisus	Wenzel
Lieder	Newinski	Reding	Steensma	Winter
Limmer	O'Connor	Rest	Sviggum	Spk. Vanasek
Long	Olsen, S.	Rice	Swenson	
Lourey	Olson, E.	Rodosovich	Thompson	
Lynch	Olson, K.	Rukavina	Tompkins	

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

Mr. Speaker:

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

S. F. No. 1027.

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. 1027

A bill for an act relating to natural resources; establishing a Minnesota adopt-a-park program; requiring the department of natural resources to report to the legislature on the program; proposing coding for new law in Minnesota Statutes, chapter 85.

May 15, 1991

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. 1027, 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. 1027 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [85.045] [ADOPT-A-PARK PROGRAM.]

Subdivision 1. [CREATION.] The Minnesota adopt-a-park program is established. The commissioner shall coordinate the program through the regional offices of the department of natural resources.

Subd. 2. [PURPOSE.] The purpose of the program is to encourage business and civic groups or individuals to assist, on a volunteer basis, in improving and maintaining state parks, monuments, historic sites, and trails.

Subd. 3. [AGREEMENTS.] (a) The commissioner shall enter into informal agreements with business and civic groups or individuals for volunteer services to maintain and make improvements to real and personal property in state parks, monuments, historic sites, and trails in accordance with plans devised by the commissioner after consultation with the groups.

(b) The commissioner may erect appropriate signs to recognize and express appreciation to groups and individuals providing volunteer services under the adopt-a-park program.

(c) The commissioner may provide assistance to enhance the comfort and safety of volunteers and to facilitate the implementation and administration of the adopt-a-park program.

(d) This section is not subject to chapter 14.

Subd. 4. [WORKER DISPLACEMENT PROHIBITED.] The commissioner may not enter into any agreement that has the purpose of or results in the displacement of public employees by volunteers participating in the adopt-a-park program under this section. The commissioner must certify to the appropriate bargaining agent that the work performed by a volunteer 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. 2. [STUDY AND REPORT.]

The department of natural resources shall study and report to the appropriate committees of the senate and house of representatives by March 1, 1992, on the implementation of the program established in section 1. The study must focus on major elements of the program,

including liability for personal injury or property damage, the relationship between program participants and departmental employees, project selection, program costs, support services for program volunteers, and recognition of accomplishments. The report must be accompanied by recommended legislation for improving the program.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to natural resources; establishing a Minnesota adopt-a-park program; requiring the department of natural resources to report to the legislature on the program; ensuring that the program does not conflict with public employee duties; proposing coding for new law in Minnesota Statutes, chapter 85."

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

Senate Conferees: LEONARD R. PRICE AND GENE MERRIAM.

House Conferees: BOB JOHNSON, VIRGIL J. JOHNSON AND TOM RUKAVINA.

Johnson, R., moved that the report of the Conference Committee on S. F. No. 1027 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1027, A bill for an act relating to natural resources; establishing a Minnesota adopt-a-park program; requiring the department of natural resources to report to the legislature on the program; proposing coding for new law in Minnesota Statutes, chapter 85.

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	Bauerly	Bishop	Carlson	Davids
Anderson, I.	Beard	Blatz	Carruthers	Dawkins
Anderson, R.	Begich	Bodahl	Clark	Dempsey
Anderson, R. H.	Bertram	Boo	Cooper	Dille
Battaglia	Bettermann	Brown	Dauner	Dorn

Erhardt	Jefferson	Marsh	Pauly	Steensma
Farrell	Jennings	McEachern	Pellow	Sviggum
Frederick	Johnson, A.	McGuire	Pelowski	Swenson
Frerichs	Johnson, R.	McPherson	Peterson	Thompson
Garcia	Johnson, V.	Milbert	Pugh	Tompkins
Girard	Kahn	Morrison	Reding	Trimble
Goodno	Kalis	Munger	Rest	Tunheim
Greenfield	Kelso	Murphy	Rice	Uphus
Gruenes	Kinkel	Nelson, K.	Rodosovich	Valento
Gutknecht	Knickerbocker	Nelson, S.	Rukavina	Vellenga
Hanson	Koppendrayner	Newinski	Runbeck	Wagenius
Hartle	Krinkie	O'Connor	Sarna	Waltman
Haskamp	Krueger	Olsen, S.	Schafer	Weaver
Haukoos	Lasley	Olson, E.	Scheid	Wejzman
Hausman	Leppik	Olson, K.	Schreiber	Welker
Heir	Lieder	Omann	Segal	Welle
Henry	Limmer	Onnen	Simoneau	Wenzel
Hufnagle	Long	Orenstein	Skoglund	Winter
Hugoson	Lourey	Orfield	Smith	Spk. Vanasek
Jacobs	Lynch	Osthoff	Solberg	
Janezich	Macklin	Ostrom	Sparby	
Jaros	Mariani	Ozment	Stanius	

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

Mr. Speaker:

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

S. F. Nos. 338, 780, 1317, 93, 414, 494, 666 and 598.

PATRICK E. FLAHAVER, Secretary of the Senate

Schafer was excused between the hours of 1:00 p.m. and 4:45 p.m.

FIRST READING OF SENATE BILLS

S. F. No. 338, A bill for an act relating to retirement; various public employee pension plans; providing for the continuation of surviving spouse benefits in the event of remarriage in certain circumstances; modifying the surviving spouse benefit of the legislators retirement plan; modifying the duties and functions of the consulting actuary retained by the legislative commission on pensions and retirement; modifying the various public pension plan actuarial reporting requirements; recodifying the state university-community college supplemental retirement plan; authorizing a purchase of prior service credit; amending Minnesota Statutes 1990, sections 3.85, subdivision 11; 3A.04, subdivision 1; 352B.11, subdivision 2; 352C.04, subdivisions 1 and 4; 353.01, subdivision 20; 353.31, subdivision 1; 353.657, subdivision 2; 353B.11, subdivision 6; 354.05, subdivision 15; 354.46, subdivision 1; 354A.011, subdivi-

sion 26; 354B.01, by adding a subdivision; 356.20, subdivision 4; 356.215, subdivisions 1, 2, 3, 4, 4a, 4b, 4d, 4e, 4f, 4g, 4h, 4i, 4j, 4k, 5, 6, and 7; proposing coding for new law in Minnesota Statutes, chapter 354B; repealing Minnesota Statutes 1990, sections 136.80; 136.81; 136.82; 136.83; 136.84; 136.85; 136.87; 352.85, subdivision 6; 352.86, subdivision 4; and 353A.09, subdivision 7.

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

S. F. No. 780, A bill for an act relating to the secretary of state; requiring that certain information be provided without a fee; amending Minnesota Statutes 1990, section 336.9-411.

The bill was read for the first time.

Pugh moved that S. F. No. 780 and H. F. No. 1502, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1317, A bill for an act relating to employment; modifying the family leave law; amending Minnesota Statutes 1990, sections 181.940, subdivision 2; and 181.9413.

The bill was read for the first time.

Begich moved that S. F. No. 1317 and H. F. No. 1433, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 93, A bill for an act relating to natural resources; limiting certain fees charged to towns in connection with town road projects; amending Minnesota Statutes 1990, section 103G.301, by adding a subdivision.

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

S. F. No. 414, A bill for an act relating to alcohol and drug abuse; establishing a community prevention grant program; proposing coding for new law in Minnesota Statutes, chapter 144.

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

S. F. No. 494, A bill for an act relating to crimes; driving while

intoxicated; authorizing counties to create pilot programs to provide intensive probation for repeat violators of the driving while intoxicated laws; increasing the chemical dependency assessment charge for repeat violators of the driving while intoxicated laws; appropriating money; amending Minnesota Statutes 1990, section 169.121, subdivision 5a.

The bill was read for the first time.

Orfield moved that S. F. No. 494 and H. F. No. 593, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 666, A bill for an act relating to agriculture; lowering the fee for licensed lawn service applicators; authorizing a surcharge on sanitizers and disinfectants; abolishing surcharges on pesticides that are less than \$10; changing certain reimbursement figures and deadlines of the agricultural chemical response compensation board; continuing integrated pest management and groundwater research; appropriating money; amending Minnesota Statutes 1990, sections 18E.03, subdivisions 4 and 5; 18E.04, subdivisions 4 and 5; and 18E.05, subdivision 3.

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

S. F. No. 598, A bill for an act relating to transportation; establishing state transportation goals and requiring periodic revisions of the state transportation plan; directing a study of rail-highway grade crossings; establishing penalties for violations of grade crossing safety laws; authorizing the commissioner of transportation to make grants and loans for the improvement of commercial navigation facilities; establishing special categories of roads and highways; authorizing local units of government to advance funds for the completion of highway projects; authorizing road authorities to enter into agreements for the construction, maintenance, and operation of toll facilities; creating a transportation services fund; specifying percentage of unrefunded motor fuel tax revenue that is attributable to use on forest roads; authorizing the use of local bridge grant funds to construct drainage structures; requiring the commissioner of transportation to include light rail transit facilities in the design for reconstruction of interstate highways I-94 and I-35W; requiring a report on metropolitan transportation development and transit development consistent with the report; authorizing the commissioner of transportation to plan, acquire, construct, and equip light rail transit facilities; creating a light rail transit joint powers board; establishing a paratransit advisory council; authorizing transportation research; directing a study of highway corridors; extending the transportation study board and specifying

duties; appropriating money; amending Minnesota Statutes 1990, sections 162.02, subdivision 3a; 162.09, subdivision 3a; 162.14, subdivision 6; 169.14, by adding a subdivision; 169.26; 171.13, subdivision 1, and by adding a subdivision; 173.13, subdivision 4; 174.01; 174.03, subdivision 2, and by adding a subdivision; 219.074, by adding a subdivision; 219.402; 296.16, subdivision 1a; 296.421, subdivision 8; 299D.03, subdivision 5; 473.373, subdivision 4a; 473.3993, subdivisions 2 and 3, and by adding a subdivision; 473.3994; and 473.3996; Laws 1990, chapter 610, article 1, section 13, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 3; 160; 161; 162; 174; 219; and 473; proposing coding for new law as Minnesota Statutes, chapters 161; 457A; and 473; repealing Laws 1989, chapter 339, section 21.

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, Kalis moved that the rule therein be suspended and an urgency be declared so that S. F. No. 598 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Kalis moved that the Rules of the House be so far suspended that S. F. No. 598 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 598 was read for the second time.

Kalis moved to amend S. F. No. 598, as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

TRANSPORTATION PLANNING

Section 1. Minnesota Statutes 1990, section 174.01, is amended to read:

174.01 [CREATION; POLICY.]

Subdivision 1. [DEPARTMENT CREATED.] In order to provide a balanced transportation system, which system includes aeronautics, highways, motor carriers, ports, public transit, railroads and pipelines, a department of transportation is created. The department shall be the principal agency of the state for development, imple-

mentation, administration, consolidation, and coordination of state transportation policies, plans and programs.

Subd. 2. [TRANSPORTATION GOALS.] The legislature establishes the following goals of the state transportation system:

(1) to provide safe transportation for all users throughout the state;

(2) to provide multimodal transportation that enhances mobility and economic development and that provides access to all persons and businesses in Minnesota while ensuring that there is no undue burden placed on any community;

(3) to provide a reasonable travel time for commuters to and from work or school;

(4) to provide for the economical, efficient, and safe movement of goods to and from markets by rail, highway, and waterway;

(5) to encourage tourism by providing appropriate transportation to Minnesota facilities designed to attract tourist;

(6) to provide transit services throughout the state to meet the mobility needs of transit users;

(7) to manage the transportation system to ensure the highest levels of productivity;

(8) to provide safe and efficient air transportation in Minnesota;

(9) to maximize the benefits received for each state transportation investment;

(10) to provide funding for transportation that, at a minimum, ensures no further deterioration of the transportation infrastructure;

(11) to ensure that the planning and implementation of all modes of transportation are consistent with the environmental and energy goals of the state; and

(12) to increase high occupancy vehicle use;

(13) to increase transit use in urban areas by giving highest priority to the transportation modes with the greatest people-moving capacity, to the extent practicable; and

(14) to promote and increase bicycling as an energy-efficient, nonpolluting, and healthful transportation alternative.

Sec. 2. Minnesota Statutes 1990, section 174.03, is amended by adding a subdivision to read:

Subd. 1a. [REVISION OF STATE TRANSPORTATION PLAN.] The commissioner shall revise the state transportation plan not later than July 1, 1993, and not later than July 1 of each odd-numbered year afterward. The revised state transportation plan must:

(1) incorporate the goals of the state transportation system as enumerated in section 174.01; and

(2) provide for objectives, policies, and strategies for achieving those goals.

Sec. 3. Minnesota Statutes 1990, section 174.03, subdivision 2, is amended to read:

Subd. 2. [IMPLEMENTATION OF PLAN.] After the adoption and each revision of the statewide transportation plan, the commissioner and the transportation regulation board shall take no action inconsistent with that revised plan.

ARTICLE 2

RAILROAD CROSSINGS

Section 1. [RAIL-HIGHWAY CROSSING IMPROVEMENT.]

Subdivision 1. [STATE RAIL CORRIDOR STUDY.] The commissioner of transportation shall conduct a study of railroad crossing safety and improvement in Minnesota.

Subd. 2. [CONTENT OF STUDY.] The rail-highway grade crossing study must include:

(1) a method of determining the relative benefits of grade crossing protection and improvement to the railroad, the road authority, and the public and cost-sharing guidelines;

(2) sources of funding for grade crossing protection and improvement;

(3) research needs for grade crossing safety; and

(4) recommendations for statutory changes to improve grade crossing safety.

Subd. 3. [REPORT.] The commissioner shall report to the governor and legislature not later than February 1, 1992, on the results of the study.

Sec. 2. Minnesota Statutes 1990, section 169.26, is amended to read:

169.26 [SPECIAL STOPS AT RAILROADS.]

Subdivision 1. [REQUIREMENTS.] (a) When any person driving a vehicle approaches a railroad grade crossing under any of the circumstances stated in this paragraph, the driver shall stop the vehicle not less than ten feet from the nearest railroad track and shall not proceed until safe to do so. These requirements apply when:

(1) a clearly visible electric or mechanical signal device warns of the immediate approach of a railroad train;

(2) a crossing gate is lowered warning of the immediate approach or passage of a railroad train; or

(3) an approaching railroad train is plainly visible and is in hazardous proximity.

(b) The fact that a moving train approaching a railroad grade crossing is visible from the crossing is prima facie evidence that it is not safe to proceed.

(c) The driver of a vehicle shall stop and remain standing and not traverse the grade crossing when a human flagger signals the approach or passage of a train. No person may drive a vehicle past a flagger at a railroad crossing until the flagger signals that the way is clear to proceed.

Subd. 1a. [VIOLATION.] A peace officer may arrest the driver of a motor vehicle if the peace officer has probable cause to believe that the driver has operated the vehicle in violation of subdivision 1 within the past four hours.

Subd. 2. [PENALTY.] (a) A person driver who violates this section subdivision 1 is guilty of a misdemeanor.

(b) The owner or, in the case of a leased vehicle, the lessee of a motor vehicle is guilty of a petty misdemeanor if a motor vehicle owned or leased by the person is operated in violation of subdivision 1. This paragraph does not apply to a lessor of a motor vehicle if the lessor keeps a record of the name and address of the lessee. This

paragraph does not apply if the motor vehicle operator is prosecuted for violating subdivision 1. A violation of this paragraph does not constitute grounds for revocation or suspension of the owner's or lessee's driver's license.

Subd. 3. [DRIVER TRAINING.] All driver education courses approved by the commissioner of education and the commissioner of public safety must include instruction on railroad-highway grade crossing safety. The commissioner of education and the commissioner of public safety shall by rule provide minimum standards of course content relating to operation of vehicles at railroad and highway grade crossings.

Subd. 4. [APPROPRIATION.] The fines collected for a violation of subdivision 1 must be deposited in the state treasury and credited to the transportation services fund.

Sec. 3. Minnesota Statutes 1990, section 171.13, subdivision 1, is amended to read:

Subdivision 1. [APPLICANTS.] Except as otherwise provided in this section, the commissioner shall examine each applicant for a driver's license by such agency as the commissioner directs. This examination must include a test of applicant's eyesight; ability to read and understand highway signs regulating, warning, and directing traffic; knowledge of traffic laws; knowledge of the effects of alcohol and drugs on a driver's ability to operate a motor vehicle safely and legally; knowledge of railroad grade crossing safety; an actual demonstration of ability to exercise ordinary and reasonable control in the operation of a motor vehicle; and other physical and mental examinations as the commissioner finds necessary to determine the applicant's fitness to operate a motor vehicle safely upon the highways, provided, further however, no driver's license shall be denied an applicant on the exclusive grounds that the applicant's eyesight is deficient in color perception. Provided, however, that war veterans operating motor vehicles especially equipped for handicapped persons, shall, if otherwise entitled to a license, be granted such license. The commissioner shall make provision for giving these examinations either in the county where the applicant resides or at a place adjacent thereto reasonably convenient to the applicant.

Sec. 4. Minnesota Statutes 1990, section 171.13, is amended by adding a subdivision to read:

Subd. 1d. [RAILROAD CROSSING SAFETY.] The commissioner shall include in each edition of the driver's manual published by the department a section relating to safe operation of vehicles at railroad grade crossings.

Sec. 5. Minnesota Statutes 1990, section 219.074, is amended by adding a subdivision to read:

Subd. 3. [CROSSING INVENTORY.] By December 31, 1993, the commissioner shall complete an inventory of all public and private grade crossings in the state and shall annually revise the inventory to reflect grade crossing changes made under this section.

Sec. 6. [219.165] [SAFETY RULES AT PRIVATE RAILROAD GRADE CROSSINGS.]

By December 31, 1992, the commissioner shall adopt rules establishing minimum safety standards at all private railroad grade crossings in the state.

Sec. 7. [219.384] [REMOVAL OF DANGEROUS OBSTRUCTIONS.]

Subdivision 1. [REMOVAL ORDERED.] If a railroad company, road authority, or abutting property owner fails to control the growth of trees or vegetation or the placement of structures or other obstructions on its right-of-way or property so as to interfere with the safety of the public traveling on a public or private grade crossing, the local governing body of the town or municipality where the grade crossing is located may, by notice, require the obstruction to be removed as necessary to provide an adequate view of oncoming trains at the crossings. The commissioner shall adopt rules establishing minimum standards for visibility at public and private grade crossings.

Subd. 2. [PENALTY.] A railroad company, road authority, or property owner that fails to comply with this section within 30 days after being notified in writing is subject to a penalty of \$50 for each day that the condition is uncorrected. This penalty may be recovered in the manner provided in section 219.97, subdivision 5.

Sec. 8. Minnesota Statutes 1990, section 219.402, is amended to read:

219.402 [ADEQUATE CROSSING PROTECTION.]

Crossing safety devices or improvements installed or maintained under this chapter as approved by the board, or the commissioner, whether by order or otherwise, are adequate and appropriate protection for the crossing.

ARTICLE 3
PORT DEVELOPMENT ASSISTANCE

Section 1. [457A.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of sections 1 to 6, the following terms have the meanings given them.

Subd. 2. [COMMERCIAL NAVIGATION FACILITY.] "Commercial navigation facility" means (1) terminals and docks used for the transfer of property or passengers between commercial vessels and land, and supporting equipment, structures, and transportation facilities, (2) disposal facilities for dredging material produced by port development projects, and (3) buildings and related structures and facilities used by commercial vessels under construction or repair. "Commercial navigation facility" does not include any commercial navigation facility that is (1) not on the commercial navigation system, or (2) the responsibility of the United States corps of army engineers or the United States coast guard.

Subd. 3. [COMMERCIAL VESSEL.] "Commercial vessel" means a vessel used for the transportation of passengers or property. "Commercial vessel" does not include a vessel used primarily for recreational or sporting purposes.

Subd. 4. [COMMISSIONER.] "Commissioner" means the commissioner of transportation.

Subd. 5. [DREDGING.] "Dredging" means excavating harbor sediment or bottom materials, including mobilizing or operating equipment for excavating and transporting dredged material to the placing dredged material in a disposal facility.

Subd. 6. [NAVIGATION SYSTEM.] "Navigation system" means (1) the commercially navigable waters of the Mississippi River, the Minnesota, and the St. Croix rivers, (2) the commercial harbors on Minnesota's Lake Superior shoreline, and (3) the commercial navigation facilities on those waterways.

Sec. 2. [457A.02] [PROGRAM ESTABLISHED.]

Subdivision 1. [PURPOSE OF PROGRAM.] A port development assistance program is established for the purpose of:

(1) expediting the movement of commodities and passengers on the commercial navigation system;

(2) enhancing the commercial vessel construction and repair industry in Minnesota; and

(3) promoting economic development in and around ports and harbors in the state.

Subd. 2. [COMMISSIONER TO ADMINISTER.] The commissioner shall administer the port development assistance program to advance the purposes of subdivision 1. In administering the program, the commissioner may:

(1) make grants and loans to persons eligible under section 3, subdivision 1, to apply for them; (2) make assistance agreements with recipients of grants and loans; and (3) adopt rules authorized by section 5.

Sec. 3. [457A.03] [PORT ASSISTANCE.]

Subdivision 1. [ELIGIBLE APPLICANTS.] Any person, political subdivision, or port authority, that owns a commercial navigation facility, may apply to the commissioner for assistance under this chapter.

Subd. 2. [TYPES OF ASSISTANCE.] The commissioner may make loans to an eligible applicant if the commissioner determines that the project submitted by the applicant for assistance will serve either or both of the purposes stated in section 2, subdivision 1, clauses (1) and (2). The commissioner may make grants, or a combination of grants and loans, to an eligible applicant if the commissioner determines that the project submitted by the applicant for assistance will serve either or both of the purposes stated in section 2, subdivision 1, clauses (1) and (2), and will also enhance economic development in and around the commercial navigation facility being assisted.

Subd. 3. [STATE PARTICIPATION; LIMITATIONS.] The commissioner may not provide any assistance under this chapter for more than 50 percent of the nonfederal share of any project. Assistance provided under this chapter may not be used to match any other state funds, regardless of source. The commissioner shall not assume continuing funding responsibility for any commercial navigation facility project.

Sec. 4. [457A.04] [ASSISTANCE AGREEMENTS.]

Subdivision 1. [AGREEMENTS REQUIRED.] The commissioner may not provide any assistance to a project under this chapter unless the commissioner has signed an assistance agreement with the recipient of the assistance.

Subd. 2. [COSTS.] An assistance agreement must specify those project costs which may be paid in whole or in part with assistance

from the commissioner. Assistance agreements may provide that only the following costs may be so paid:

(1) final engineering costs on a commercial navigation facility project;

(2) capital improvements to a commercial navigation facility; and
(3) costs of dredging necessary to open a new commercial navigation facility project, and for disposal of dredged material.

The following costs may not be paid with assistance from the commissioner:

(1) the applicant's administrative, insurance, and legal costs;

(2) costs of acquiring permits for a project;

(3) costs of preparing environmental documents, feasibility studies, or project designs;

(4) interest on money borrowed by the applicant or interest charged to the applicant for late payment of project costs;

(5) any costs related to the routine maintenance or repair, or operation of a commercial navigation facility;

(6) costs of dredging to maintain an existing channel; and (7) any costs for a project that consists exclusively of dredging.

Subd. 3. [INSURANCE; LIABILITY.] An assistance agreement must require the applicant to:

(1) provide a comprehensive general liability insurance policy, complying with minimum amount prescribed by the commissioner by rule, naming the commissioner and officers, employees, and agents of the department of transportation as additional insureds; and

(2) save and hold the commissioner harmless from and against all liability, damage, loss, claims, demands, and actions related to the project being assisted.

Subd. 4. [PERFORMANCE AND PAYMENT BONDS.] An assistance agreement must require an assistance recipient to provide evidence of performance and payment bonds, satisfying all applicable legal requirements for the full amount of any and all construction contracts let by the applicant in connection with the project.

Subd. 5. [REPAYMENT.] An assistance agreement must require the recipient to repay all or part of any assistance received, in an

amount determined by the commissioner, if the project for which the assistance is provided:

(1) is not completed according to the terms of the assistance agreement, or

(2) is converted, during the period of time specified in the assistance agreement, to a use that is (1) inconsistent with the purposes of this chapter, or (2) inconsistent with the terms of the assistance agreement, or (3) not approved in writing by the commissioner.

Sec. 5. [457A.05] [RULES.]

The commissioner may adopt rules that provide for:

(1) application procedures for assistance under this chapter;

(2) procedures for establishing deadlines for applications, and for notifying potential recipients of those deadlines;

(3) eligibility criteria for projects to be assisted;

(4) information required to be submitted with applications;

(5) contents of assistance agreements;

(6) any other requirement of this chapter; and

(7) any other requirement the commissioner deems necessary for the administration of this chapter.

Sec. 6. [457A.06] [REVOLVING FUND.]

A port development revolving fund is established in the state treasury. The fund consists of (1) all money appropriated to the commissioner for the purposes of this chapter and (2) all money received by the commissioner from repayment of loans made under this chapter.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective July 1, 1991.

ARTICLE 4
LOCAL HIGHWAY FINANCE

Section 1. Minnesota Statutes 1990, section 103G.301, is amended by adding a subdivision to read:

Subd. 5a. [TOWN FEES LIMITED.] Notwithstanding this section or any other law, no permit application or field inspection fee charged to a town in connection with the construction or alteration of a town road, bridge, or culvert shall exceed \$100.

Sec. 2. [160.82] [RUSTIC ROADS PROGRAM.]

Subdivision 1. [DESIGNATION.] A road authority other than the commissioner may, by resolution, designate a road or highway under its jurisdiction as a rustic road. A rustic road must have the characteristics of outstanding natural features or rustic or scenic beauty; a daily traffic volume of less than 150 vehicles per day; year-round use as a local access road; and maximum allowable speed of 45 miles per hour.

Subd. 2. [LOCAL AUTHORITY.] The road authority has the same authority over rustic roads as over other highways and roads under its jurisdiction. The road authority may designate the type and character of vehicles that may be operated on the rustic road; designate a rustic road or portion of the road as a pedestrian way or bicycle way, or both; and establish priority of right-of-way, paint lines, and construct dividers to physically separate vehicular, bicycle, or pedestrian traffic.

Subd. 3. [JOINT DESIGNATION.] Two or more road authorities may jointly designate a rustic road along a common boundary or into or through their jurisdictions. The road authorities may enter into agreements to divide the costs and responsibility for maintaining the rustic road.

Subd. 4. [COSTS.] A rustic road must be maintained by the road authority having jurisdiction over the road and is not eligible for state-aid funding. State money must not be spent to construct, reconstruct, maintain, or improve a rustic road, except that the commissioner shall pay from the transportation services fund the costs of publishing a map of rustic roads within the state and installing and maintaining signs designating rustic roads.

Sec. 3. [160.83] [STREETS AND HIGHWAYS WITHIN PARKS.]

Subdivision 1. [DEFINITION.] "Park road" means that portion of a street or highway located entirely within the park boundaries of or abutting a city, county, regional, or state park.

Subd. 2. [RESTRICTIONS.] A road authority may not make any changes in the width, grade, or alignment of a park road, other than a county state-aid highway or municipal state-aid street, that would affect the wildlife habitat or aesthetic characteristics of the park road or its adjacent vegetation or terrain, other than changes required to permit the safe travel of vehicles at the speed lawfully designated for that park road. A road authority may not make any changes in the width, grade, or alignment of a park road that is a county state-aid highway or municipal state-aid street that would affect the wildlife habitat or aesthetic characteristics of the park road or its adjacent vegetation or terrain, other than changes required by the minimum state-aid standard applicable to that road.

Subd. 3. [LIABILITY.] A road authority making changes in a park road described in subdivision 1, and its officers and employees, are exempt from liability for any tort claim for injury to persons or property arising from travel on that park road and related to the design of that park road, if the design is adopted to conform to this section, the design complies with the minimum state-aid standards applicable to the road, and the design is not grossly negligent. This subdivision does not preclude an action for damages arising from negligence in the construction, reconstruction, or maintenance of a park road.

Sec. 4. [161.361] [ADVANCE FUNDING FOR TRUNK HIGHWAY PROJECTS.]

Subdivision 1. [ADVANCE FUNDING.] A road authority other than the commissioner may by agreement with the commissioner make advances from any available funds to the commissioner to expedite construction of all or part of a trunk highway within its boundaries. Money may be advanced under this section only for projects already included in the commissioner's highway work program.

Subd. 2. [REPAYMENT.] Subject to the availability of state money, the commissioner shall repay without interest the amount advanced under subdivision 1, up to the state's share of project costs, at the time the project is scheduled for completion in the highway work program. The total amount of annual repayment to road authorities under this section must never exceed the amount stated in the department's debt management policy or \$10 million, whichever is less.

Subd. 3. [LOCAL COST SHARING FOR TRUNK HIGHWAY IMPROVEMENTS.] The commissioner may accept gifts, contributions, or grants from a local government body for trunk highway construction, reconstruction, improvement, or maintenance of trunk highways within its boundaries. Money accepted by the commissioner under this subdivision must not adversely affect the sched-

uling of other trunk highway projects that are not funded in whole or in part by local contributions.

Sec. 5. Minnesota Statutes 1990, section 162.02, subdivision 3a, is amended to read:

Subd. 3a. [VARIANCES, RULES AND ENGINEERING STANDARDS.] The commissioner may grant variances from the rules and from the engineering standards developed pursuant to section 162.021 or 162.07, subdivision 2. A political subdivision in which a county state-aid highway is located or is proposed to be located may submit a written request to the commissioner for a variance for that highway. The commissioner shall publish notice of the request in the state register and give notice to all persons known to the commissioner to have an interest in the matter. The commissioner may grant or deny the variance within 30 days of providing notice of the request. If a written objection to the request is received within 20 days of providing notice, the variance shall be granted or denied only after a contested case hearing has been held on the request. If no timely objection is received and the variance is denied without hearing, the political subdivision may request, within 30 days of receiving notice of denial, and shall be granted a contested case hearing. For purposes of this subdivision, with respect to a variance required for a county state-aid highway that is a park road as defined in section 160.83, subdivision 1, "political subdivision" includes (1) an agency of a political subdivision which has jurisdiction over parks, and (2) a regional park agency.

Sec. 6. [162.021] [NATURAL PRESERVATION ROUTES.]

Subdivision 1. [NATURAL PRESERVATION ROUTES ESTABLISHED.] The commissioner shall create within the county state-aid highway system a system of natural preservation routes. The commissioner shall provide for criteria for inclusion in the system and for the adoption of standards for the design of routes on the system.

Subd. 2. [CRITERIA.] The criteria for inclusion on the natural preservation route system must provide for the inclusion in the system of those county state-aid highways that possess unique scenic, environmental, aesthetic, recreational, or historic characteristics that would be harmed by construction or reconstruction using standards applicable to county state-aid highways that are not part of the natural preservation route system.

Subd. 3. [STANDARDS.] The design standards adopted by the commissioner for natural preservation routes must provide for the preservation of the characteristics described in subdivision 2, to the extent consistent with public safety. The standards must provide for minimum width of vehicle recovery areas, minimum slopes, and

minimum ditch widths, consistent with anticipated speed and volume of traffic on the highway.

Subd. 4. [DESIGNATION.] The commissioner may designate a county state-aid highway as a natural preservation route only on petition of the governing body of the county having jurisdiction over the road. On receiving a petition for designation the commissioner shall appoint an advisory committee consisting of seven members. An advisory committee must include at least one representative of the department of natural resources or the United States department of agriculture forest service, one county commissioner, one county highway engineer, and one representative of a recognized environmental organization. The advisory committee shall consider the petition for designation and make a recommendation to the commissioner. Following receipt of the committee's recommendation the commissioner may designate the highway as a natural preservation route.

Subd. 5. [SIGNS.] The county having jurisdiction over a natural preservation route must post signs at each entry point to the route informing the public that the highway is a natural preservation route. Signs erected under this subdivision are prima facie evidence of adequate notice to the public that the highway has been designated a natural preservation route.

Subd. 6. [LIABILITY.] When a county state-aid highway has been designated a natural preservation route, constructed in accordance with the standards established by the commissioner under subdivision 1, and signs have been erected as provided in subdivision 5, the state and the county having jurisdiction over the highway, and their officers and employees, are exempt from liability for any tort claim for injury to persons or property arising from travel on the highway and related to the standards for its design, if the design standards comply with the standards established by the commissioner under subdivision 1. This subdivision does not preclude an action for damages arising from negligence in the construction, reconstruction, or maintenance of a natural preservation route.

Sec. 7. Minnesota Statutes 1990, section 162.09, subdivision 3a, is amended to read:

Subd. 3a. [VARIANCES, RULES AND ENGINEERING STANDARDS.] The commissioner may grant variances from the rules and from the engineering standards developed pursuant to section 162.13, subdivision 2. A political subdivision in which a municipal state-aid street is located or is proposed to be located may submit a written request to the commissioner for a variance for that street. The commissioner shall publish notice of the request in the state register and give notice to all persons known to the commissioner to have an interest in the matter. The commissioner may grant or deny the variance within 30 days of providing notice of the request. If a

written objection to the request is received within 20 days of providing notice, the variance shall be granted or denied only after a contested case hearing has been held on the request. If no timely objection is received and the variance is denied without hearing, the political subdivision may request, within 30 days of receiving notice of denial, and shall be granted a contested case hearing. For purposes of this subdivision, with respect to a variance requested for a municipal state-aid street that is a park road as defined in section 160.83, subdivision 1, "political subdivision" includes (1) an agency of a political subdivision which has jurisdiction over parks, and (2) a regional park authority.

Sec. 8. Minnesota Statutes 1990, section 221.033, is amended by adding a subdivision to read:

Subd. 4. [VARIANCE.] The commissioner may adopt rules to provide a procedure to grant variances from regulations adopted under subdivision 1, and contained in Code of Federal Regulations, title 49, part 180. The variances must apply only to cargo tanks with a capacity of 3,000 gallons or less that transport gasoline in intrastate commerce in Minnesota and were first used in transportation before August 1, 1991. The commissioner shall establish inspection, testing, and registration requirements to ensure the safety of cargo tanks operated under a variance granted under this subdivision.

Sec. 9. [BICYCLE FACILITIES.]

The commissioner of transportation shall seek federal funding under United States Code, title 23, section 217, subsection (b), for the establishment of facilities for bicycle transportation.

ARTICLE 5

TRANSPORTATION SERVICES FUND

Section 1. [161.041] [TRANSPORTATION SERVICES FUND.]

Subdivision 1. [FUND CREATED.] A transportation services fund is created in the state treasury. The fund consists of all money required by law to be deposited in the fund, and other money made available to the fund by law.

Subd. 2. [USES OF FUND.] Money in the transportation services fund may only be expended by appropriation for

(1) activities of the commissioner of public safety relating to (i) driver licensing, (ii) motor vehicle registration and licensing, (iii) the accident reporting system; and (iv) the state patrol;

(2) activities of the commissioner of transportation relating to oversize and overweight permits, including the cost of necessary highway maintenance and preservation related to granting those permits;

(3) activities of the commissioner of transportation related to junkyard screening and control of outdoor advertising devices;

(4) activities of the transportation regulation board related to motor carrier regulation; and

(5) repayment of money borrowed for new buildings, and improvements to existing buildings, of the department of transportation.

Sec. 2. Minnesota Statutes 1990, section 296.16, subdivision 1a, is amended to read:

Subd. 1a. [INTENT; FOREST ROADS.] ~~\$675,000~~ Approximately 0.116 percent of the total annual unrefunded revenue from the gasoline fuel tax on all gasoline and special fuel received in, produced, or brought into this state, except gasoline and special fuel used for aviation purposes, is derived from the operation of motor vehicles on state forest roads and county forest access roads, and. Of this sum, \$400,000 amount, 0.0605 percent is annually derived from motor vehicles operated on state forest roads and \$275,000 0.0555 percent is annually derived from motor vehicles operated on county forest access roads in this state.

Sec. 3. Minnesota Statutes 1990, section 296.421, subdivision 8, is amended to read:

Subd. 8. [COMPUTATION AND DISTRIBUTION OF UNREFUNDED TAXES FOR FOREST ROADS.] The amount of unrefunded tax paid on gasoline and special fuel used to operate motor vehicles on forest roads, except gasoline and special fuel used for aviation purposes, is ~~\$675,000 annually~~ 0.116 percent of the total unrefunded revenue from the tax on all gasoline and special fuel received in, produced, or brought into the state, and this revenue is appropriated from the highway user tax distribution fund and must be transferred and credited in equal installments on July 1 and January 1 to the state forest road account established in section 89.70. \$275,000 of this amount An amount equal to 0.0555 percent of the unrefunded revenue must be annually transferred to counties for management and maintenance of county forest roads.

Sec. 4. Minnesota Statutes 1990, 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 viola-

tions, 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 as follows:

(1) In the fiscal year ending June 30, 1991, the first \$205,000 in money received by the state treasurer after the effective date of this section must be credited to the transportation services fund, and the remainder in the fiscal year credited to the trunk highway fund.

(2) In fiscal year 1992, the first \$145,000 in money received by the state treasurer in the fiscal year must be credited to the transportation services fund, and the remainder credited to the trunk highway fund.

(3) In fiscal years 1993 and subsequent years, the entire amount received by the state treasurer 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 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.

Sec. 5. [APPROPRIATION.]

Subdivision 1. [GENERAL APPROPRIATION.] \$350,000 is ap-

propriated from the transportation services fund as provided in subdivision 2.

	<u>1992</u>	<u>1993</u>
<u>Subd. 2. Department of Transportation</u>		
<u>(a) Conduct railroad crossing protection study</u>	<u>\$ 60,000</u>	<u>\$ -0-</u>
<u>(b) Develop grade crossing education program</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>
<u>Subd. 3. Transportation Study Board</u>	<u>\$125,000</u>	<u>\$125,000</u>

Sec. 6. [EFFECTIVE DATE.]

Section 4 is effective the day following final enactment. Sections 1 to 3 and 5 are effective July 1, 1991.

ARTICLE 6

METROPOLITAN TRANSPORTATION DEVELOPMENT

Section 1. [161.1246] [HIGHWAY RECONSTRUCTION; LIGHT RAIL TRANSIT.]

The commissioner of transportation shall ensure that design plans for reconstruction of marked interstate highways I-94 and I-35W provide for light rail transit facilities as part of the reconstruction. The design for reconstruction of interstate highway I-94 must include design for a light rail transit facility, as described in the midway corridor draft environmental impact statement, from the Western Avenue intersection near downtown St. Paul to approximately Fairview Avenue. The design for reconstruction of interstate highway I-35W must include design for a light rail transit facility from the city of Minneapolis to approximately county road 42 in the city of Burnsville. The commissioner shall consult with regional railroad authorities where the highway reconstruction will occur to ensure an acceptable and feasible light rail transit facility design is included in the highway reconstruction.

Sec. 2. [174.35] [LIGHT RAIL TRANSIT.]

The commissioner of transportation may plan, acquire, construct, and equip light rail transit facilities in the metropolitan area as provided in this section, sections 473.399 to 473.3996, and sections 14 and 15 and may exercise the powers granted in chapter 174 as necessary for this purpose. The commissioner shall review and approve all preliminary design, preliminary engineering, and final design plans for light rail transit facilities.

Sec. 3. Minnesota Statutes 1990, section 473.373, subdivision 4a, is amended to read:

Subd. 4a. [MEMBERSHIP.] (a) The board consists of 11 members with governmental or management experience. Appointments are subject to the advice and consent of the senate. Terms of members are four years commencing on the first Monday in January of the first year of the term.

(b) The council shall appoint eight members, one from each of the following agency districts:

- (1) district A, consisting of council districts 1 and 2;
- (2) district B, consisting of council districts 3 and 7;
- (3) district C, consisting of council districts 4 and 5;
- (4) district D, consisting of council districts 6 and 11;
- (5) district E, consisting of council districts 8 and 10;
- (6) district F, consisting of council districts 9 and 13;
- (7) district G, consisting of council districts 12 and 14; and
- (8) district H, consisting of council districts 15 and 16.

~~At least Six must be elected officials of statutory or home rule charter cities, towns, or counties. Two of these officials must be county board members, each from a different county, and four must be elected officials of cities or towns. Service on the board of a person who is appointed as an elected official may continue only as long as the person holds the office. At least 30 days before the expiration of a term or upon the occurrence of a vacancy, the council shall request nominations for the position from relevant organizations of local elected officials, such as the association of metropolitan municipalities, the metropolitan intercounty association, the association of urban counties, and where applicable, the association of townships. Each relevant organization shall nominate at least two persons for each position. A local governmental unit that is not a member of an organization may submit nominations independently. The council shall make its appointments from the nominations submitted to it to the extent possible consistent with the other requirements of this paragraph and with the appointment of a board that fairly reflects the diverse areas and constituencies affected by transit.~~

(c) The governor shall appoint, in addition to the chair, two persons, one who is age 65 or older at the time of appointment, and one with a disability. These appointments must be made following the procedures of section 15.0597. In addition, at least 30 days before the expiration of a term or upon the occurrence of a vacancy in the office held by a senior citizen or a person with a disability, the

governor shall request nominations from organizations of senior citizens and persons with disabilities. Each organization shall nominate at least two persons. The governor shall consider the nominations submitted.

(d) No more than three of the members appointed under paragraphs (b) and (c) may be residents of the same statutory or home rule city or town, and none may be a member of the joint light rail transit advisory committee established under section 473.3991.

Sec. 4. Minnesota Statutes 1990, section 473.399, is amended to read:

473.399 [LIGHT RAIL TRANSIT; REGIONAL PLAN.]

Subdivision 1. [GENERAL REQUIREMENTS.] (a) The transit board shall adopt a regional light rail transit plan, as provided in this section, to ensure that light rail transit facilities in the metropolitan area will be acquired, developed, owned, and capable of operation in an efficient, cost-effective, and coordinated manner as an integrated and unified system on a multicounty basis in coordination with buses and other transportation modes and facilities. To the extent practicable, the board shall incorporate into its plan appropriate elements of the plans of regional railroad authorities in order to avoid duplication of effort.

(b) The regional plan required by this section must be adopted by the board before any regional railroad authority may begin construction of light rail transit facilities and before any authority is eligible for state financial assistance for constructing light rail transit facilities. Following adoption of the regional plan, each regional railroad authority or other developer of light rail transit in the metropolitan area shall act in conformity with the plan. Each authority or proposer shall prepare or amend its comprehensive plan and preliminary and final design plans as necessary to make the plans consistent with the regional plan.

(c) Throughout the development and implementation of the plan, the board shall contract for or otherwise obtain engineering services to assure that the plan adequately addresses the technical aspects of light rail transit.

(d) The board may periodically review the plan and may make modifications or amendments to the plan.

Subd. 2. [DEVELOPMENT AND FINANCIAL PLAN.] (a) The board shall adopt a regional development and financial plan for light rail transit composed of the following elements:

(1) a staged development plan of light rail transit corridors;

(2) a statement of needs, objectives, and priorities for capital development and service for a prospective ten-year period, considering service needs, ridership projections, and other relevant factors for the various segments of the system, along with a statement of the fiscal implications of these objectives and priorities, and policies and recommendations for long-term capital financing;

(3) a capital investment component for a five-year period following the commencement of construction of facilities, with policies and recommendations for ownership of facilities and for financing capital and operating costs.

(b) For any segments of rail line that may be constructed below the surface elevation, the plan must estimate the additional capital costs, debt service, and subsidy level that are attributable to the below grade construction. The plan must include a method of financing the operation of light rail transit that depends on property tax revenue for no more than 35 percent of the operations cost.

(c) The board shall prepare the initial plan in consultation with its light rail transit advisory committee. The board shall submit the plan and amendments to the plan to the metropolitan council for review and approval or disapproval, for conformity with the council's transportation plan. The council has 90 days to complete its review.

Subd. 3. [COORDINATION PLAN.] (a) The board shall adopt a regional coordination plan for light rail transit. The plan must include:

(1) a method for organizing and coordinating acquisition, construction, ownership, and operation of light rail transit facilities, including in particular, coordination of vehicle specifications, provisions for a single light rail transit operator for the system, and the organization and coordination method required if a turn-key approach to facility acquisition is used by a regional railroad authority;

(2) specifications and standards to ensure joint or coordinated procurement of rights-of-way, track, vehicles, electrification, communications and ticketing facilities, yards and shops, stations, and other facilities that must be or should be operated on a systemwide basis;

(3) systemwide operating and performance specifications and standards;

(4) bus and park-and-ride coordination policies, standards, and plans to assure maximum use of light rail transit and the widest possible access to light rail transit in both urban and suburban areas;

(5) a method for ensuring ongoing coordination of development, design, and operational plans for light rail facilities;

(6) provision for the operation of light rail transit by the metropolitan transit commission; and

(7) other matters that the board deems prudent and necessary to ensure that light rail transit facilities are acquired, developed, owned, and capable of operation in an efficient, cost-effective, and coordinated manner as an integrated and unified system on a multicounty basis in coordination with buses and other transportation modes and facilities.

(b) The joint light rail transit advisory committee shall prepare and recommend the initial plan to the board. The board shall review the plan within 90 days and either adopt it or disapprove it and return it to the committee with the modifications that the board recommends before adoption of the plan. The committee shall take into consideration the board's recommendations and resubmit the plan to the board for review and adoption or disapproval.

(c) The metropolitan council shall review and comment on the plan and amendments to the plan.

Sec. 5. Minnesota Statutes 1990, section 473.3991, subdivision 1, is amended to read:

Subdivision 1. [CREATION; PURPOSE.] The transit board shall establish a joint light rail transit advisory committee, to assist the board in planning light rail transit facilities and in coordinating the light rail transit activities of the county regional railroad authorities and the transit commission. The committee shall perform the duties specified in section 473.399 and Laws 1989, chapter 339, section 20, ~~and shall otherwise assist the board upon request of the board.~~

Sec. 6. Minnesota Statutes 1990, section 473.3991, is amended by adding a subdivision to read:

Subd. 5. [TERMINATION.] The committee ceases to exist on the day following final enactment.

Sec. 7. Minnesota Statutes 1990, section 473.3993, subdivision 2, is amended to read:

Subd. 2. [PRELIMINARY DESIGN PLAN.] "Preliminary design plan" means a light rail transit plan that ~~identifies~~ includes:

(1) preliminary plans for the physical design of facilities, at approximately the ten percent engineering level, including location,

length, and termini of routes; general dimension, elevation, alignment, and character of routes and crossings; whether the track is elevated, on the surface, or below ground; approximate station locations; and related park and ride, parking, and other transportation facilities; and a plan for handicapped access; and

(2) preliminary plans for intermodal coordination with bus operations and routes; ridership; capital costs; operating costs and revenues; and ~~funding for final design, construction, and operation; and an implementation method.~~

Sec. 8. Minnesota Statutes 1990, section 473.3993, is amended by adding a subdivision to read:

Subd. 2a. [PRELIMINARY ENGINEERING PLAN.] "Preliminary engineering plan" means a light rail transit engineering plan that includes plans for the physical design of the facilities at approximately the 30 percent engineering level; a funding plan for final design, construction, and operation; and an implementation method.

Sec. 9. Minnesota Statutes 1990, section 473.3993, subdivision 3, is amended to read:

Subd. 3. [FINAL DESIGN PLAN.] "Final design plan" means a light rail transit plan that includes the items in the preliminary design and preliminary engineering plan for the facilities proposed for construction, but with greater detail and specificity. The final design plan must include, at a minimum:

(1) final plans for the physical design of facilities, including the right-of-way definition; environmental impacts and mitigation measures; intermodal coordination with bus operations and routes; and civil engineering plans for vehicles, track, stations, parking, and access, including handicapped access; and

(2) final plans for civil engineering for electrification, communication, and other similar facilities; operational rules, procedures, and strategies; capital costs; ridership; operating costs and revenues; financing for construction and operation; an implementation method; and other similar matters.

The final design plan must be stated with sufficient particularity and detail to allow the proposer to begin the acquisition and construction of operable facilities. If a turn-key implementation method is proposed, instead of civil engineering plans the final design plan must state detailed design criteria and performance standards for the facilities.

Sec. 10. Minnesota Statutes 1990, section 473.3994, is amended to read:

473.3994 [LIGHT RAIL TRANSIT; ~~DESIGN~~ FACILITY PLANS.]

Subd. 1a. [PRELIMINARY DESIGN PLANS.] The regional transit board shall establish a procedure for preparing preliminary design plans for light rail transit facilities. The procedure must ensure that preliminary design plans implement the board's regional transit plan and qualify for federal funds in accordance with the board's plan, and that proposals for engineering and construction projects are prepared in a timely and cost-effective manner.

Subd. 2. [PRELIMINARY DESIGN AND ENGINEERING PLANS; PUBLIC HEARING.] ~~Before preparing final design plans for a light rail transit facility, the A political subdivision proposing the that has prepared preliminary design and preliminary engineering plans for a proposed facility must hold a public hearing on the physical design component of the preliminary design plans and the preliminary engineering plans. The proposer must provide appropriate public notice of the hearing and publicity to ensure that affected parties have an opportunity to present their views at the hearing.~~

Subd. 3. [PRELIMINARY DESIGN AND PRELIMINARY ENGINEERING PLANS; LOCAL APPROVAL.] At least 30 days before the hearing under subdivision 2, the proposer shall submit the physical design component of the preliminary design plans to the governing body of each statutory and home rule charter city, county, and town in which the route is proposed to be located. The city, county, or town shall hold a public hearing, except that a county board need not hold a hearing if the county board membership is identical to the membership of the regional railroad authority submitting the plan for review. Within 45 days after the hearing under subdivision 2, the city, county, or town shall review and approve or disapprove the plans for the route to be located in the city, county, or town. A local unit of government that disapproves the plans shall describe specific amendments to the plans that, if adopted, would cause the local unit to withdraw its disapproval. Failure to approve or disapprove the plans in writing within 45 days after the hearing is deemed to be approval, unless an extension of time is agreed to by the city, county, or town and the proposer.

Subd. 4. [PRELIMINARY DESIGN AND PRELIMINARY ENGINEERING PLANS; REGIONAL TRANSIT BOARD REFERRAL.] If the governing body of one or more cities, counties, or towns disapproves the preliminary design or preliminary engineering plans within the period allowed under subdivision 3, the proposer may refer the plans, along with any comments of local jurisdictions, to the regional transit board. The board shall hold a hearing on the plans, giving the proposer, any disapproving local governmental units, and other persons an opportunity to present their views on the plans. The board may conduct independent study as it deems desirable and may mediate and attempt to resolve disagreements

about the plans. Within 90 days after the referral, the board shall review the plans submitted by the proposer and may recommend amended plans to accommodate the objections presented by the disapproving local governmental units.

Subd. 5. [FINAL DESIGN PLANS.] (a) Before beginning construction, the proposer shall submit the physical design component of final design plans to the governing body of each statutory and home rule city, county, and town in which the route is proposed to be located. Within 60 days after the submission of the plans, the city, county, or town shall review and approve or disapprove the plans for the route located in the city, county, or town. A local unit of government that disapproves the plans shall describe specific amendments to the plans that, if adopted, would cause the local unit to withdraw its disapproval. Failure to approve or disapprove the plans in writing within the time period is deemed to be approval, unless an extension is agreed to by the city, county, or town and the proposer.

(b) If the governing body of one or more cities, counties, or towns disapproves the plans within the period allowed under paragraph (a), the proposer may refer the plans, along with any comments of local jurisdictions, to the regional transit board. The board shall review the final design plans under the same procedure and with the same effect as provided in subdivision 4 for preliminary design plans.

Subd. 6. [COUNTY APPROVAL.] The proposer of a light rail transit facility in the metropolitan area ~~must~~ shall submit the preliminary and final design plans for the facility to the governing board of the county in which the route is proposed to be located for approval or disapproval. The proposer of the facility may not proceed with construction of the facility without the approval of the county.

Subd. 7. [COUNCIL REVIEW.] Before proceeding with construction of a light rail transit facility, a ~~regional rail authority established under chapter 398A~~ must the proposer of the facility shall submit preliminary design plans, preliminary engineering plans, and final design plans to the metropolitan council. The council ~~must~~ shall review the plans for consistency with the council's development guide and comment on the plans.

Subd. 8. [METROPOLITAN SIGNIFICANCE.] This section does not diminish or replace the authority of the council under section 473.173.

Sec. 11. Minnesota Statutes 1990, section 473.3996, is amended to read:

473.3996 [LIGHT RAIL TRANSIT FACILITY DESIGN PLANS; REVIEW BY BOARD.]

Subdivision 1. [PRELIMINARY DESIGN AND ENGINEERING PLANS; BOARD REVIEW.] Before submitting the physical design component of final design plans of a light rail transit facility for local review under section 473.3994, subdivision 5, the proposer shall submit preliminary design and preliminary engineering plans to the regional transit board for review. The board shall review the preliminary design plans to determine the compatibility of the plans with other light rail transit plans and facilities in the metropolitan area, the adequacy of the plans for operation and maintenance of facilities, the adequacy of the plans for handicapped accessibility, and the conformity of the plans with the council's transportation policy plan and the board's regional light rail transit plan prepared under section 473.399. The board shall submit the plans to the metropolitan transit commission for recommendations on specifications and other matters affecting operation and maintenance of facilities. The board shall submit the plans to the council for recommendations on the conformity of the plans with the council's transportation policy plan. The board may comment on any aspect of the plans. The board has 90 days to complete its review, unless an extension of time is agreed to by the proposer. If the board determines that the plans do not satisfy the standards stated in this subdivision, the board shall recommend modifications in the plans that are necessary in order to satisfy the board. After adopting or amending the regional plan required by section 473.399, the board may again review any previously reviewed preliminary design plans and recommend modifications that are necessary to satisfy the board.

Subd. 2. [FINAL DESIGN PLANS; BOARD APPROVAL.] Before acquiring or constructing light rail transit facilities, other than land for right of way, the proposer shall submit final design plans to the regional transit board for review. The board shall review the final design plans under the same procedure and schedule and according to the same standards as provided for its review of preliminary design plans. The board shall either approve the plans, or if it determines that the plans do not satisfy the standards, disapprove the plans, in whole or in part, and recommend modifications in the plans that are necessary to secure approval. A proposer may not proceed with acquisition or construction of a light rail transit facility, other than land for right of way, unless the final design plans for the facility have been approved by the board. Following approval of final design plans by the board, if a regional railroad authority wishes to select a bid or a response to a request for proposal that is more than ten percent higher than the capital costs indicated in the final design plans for the facility, the authority may not proceed with construction until it has resubmitted the final design plans to the transit board for further review and approval or disapproval. The board has ten working days to review and approve or disapprove and recommend modification, unless an extension of time is agreed to by the authority.

Sec. 12. [473.3997] [LIGHT RAIL TRANSIT JOINT POWERS BOARD.]

A light rail transit joint powers board shall be formed under section 471.59 to implement light rail transit final design and construction of the corridors funded solely with federal and county funds. The board shall consist of a voting member from the metropolitan transit commission, the department of transportation, the regional transit board, the metropolitan council, and the regional rail authorities of Hennepin, Ramsey, Anoka, Washington, Dakota, Scott, and Carver counties, plus an additional voting member from a county regional rail authority with a corridor in which final design has begun.

Sec. 13. [FEDERAL FUNDING; LIGHT RAIL TRANSIT.]

(a) By July 1, 1992, the regional transit board, the regional rail authorities, and the commissioner of transportation shall prepare a joint application for federal assistance for light rail transit facilities in the metropolitan area. The application must be reviewed and approved by the metropolitan council before it is submitted. The board, the rail authorities, and the commissioner must consult with the council in preparing the application. The application may provide for metropolitan regional railroad authorities to design or construct light rail transit facilities under contract with the commissioner.

(b) Until the application described in paragraph (a) is submitted, no political subdivision in the metropolitan area may on its own apply for federal assistance for light rail transit planning or construction.

Sec. 14. [LIGHT RAIL FUNDING.]

If funds are appropriated by the legislature for construction of light rail transit facilities, the funds must be used first for construction of the central corridor in accordance with section 15.

Sec. 15. [CENTRAL CORRIDOR FACILITIES.]

Subdivision 1. [CONSTRUCTION.] The commissioner of transportation shall review and approve preliminary engineering plans, prepare final design plans, and construct light rail transit facilities in the central corridor. The commissioner shall submit final design plans for review in the manner provided under Minnesota Statutes, sections 473.3994 and 473.3996.

Subd. 2. [TUNNEL.] The commissioner may not construct underground light rail transit facilities, except that the commissioner may enter into agreements providing for underground construction

if the additional costs of underground construction are paid by the city or the regional railroad authority in which the facility is located.

Subd. 3. [OWNERSHIP.] By January 1, 1993, the commissioner shall present to the legislature a plan for transferring or sharing ownership in the land and facilities for light rail transit, and providing for maintenance of the facilities. The plan must be prepared in consultation with the regional transit board, the metropolitan transit commission, and affected local government units.

Subd. 4. [REPORT TO BOARD.] The commissioner shall report to the transportation study board on the status of the preliminary engineering plans, including cost estimates, for the central corridor by November 15, 1991.

Sec. 16. [APPLICATION.]

Sections 1 to 15 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 17. [EFFECTIVE DATE.]

Sections 5, 6, and 12 are effective July 1, 1991.

ARTICLE 7

TRANSPORTATION STUDIES

Section 1. [161.53] [RESEARCH ACTIVITIES.]

The commissioner may set aside for transportation research in each fiscal year an amount up to one percent of the total amount of all funds appropriated to the commissioner other than county state-aid and municipal state-aid highway funds. The commission shall expend this money for (1) research to improve the design, construction, maintenance, management, and environmental compatibility of transportation systems; (2) research to improve the development of transportation policies with respect to energy efficiency and economic development; (3) programs for implementing and monitoring research results; and (4) developing transportation education and outreach activities. Of all funds appropriated to the commissioner other than state-aid funds, the commissioner shall expend 0.1 percent, but not exceeding \$800,000 in any fiscal year, for research and related activities performed by the center for transportation studies of the University of Minnesota. The center shall establish a technology transfer and training center for Minnesota transportation professionals.

Sec. 2. [DEPARTMENT OF TRANSPORTATION; CORRIDOR STUDIES.]

Subdivision 1. [FINDING.] The legislature finds that a system of improved highways between regional centers in greater Minnesota and the Twin Cities metropolitan area is needed to promote economic development and to enhance commercial access, personal mobility, and traffic safety in Minnesota. It is therefore in the public interest to provide financing methods that accelerate construction of trunk highways linking regional centers in greater Minnesota with the Twin Cities metropolitan area.

Subd. 2. [STUDY.] The commissioner of transportation shall study and report to the governor and legislature the feasibility and desirability of establishing a comprehensive system of multilane divided highways connecting all regional centers with the Twin Cities metropolitan area. The study must include:

(1) existing highways on corridors between regional centers and the metropolitan area;

(2) improvements to bring all highways in these corridors to expressway standards;

(3) the cost of these improvements;

(4) the role of these improvements in the department of transportation's trunk highway programming priorities; and

(5) a schedule for completing these improvements.

The commissioner shall complete the study and submit the report not later than January 15, 1992.

Sec. 3. [3.862] [TRANSPORTATION STUDY BOARD.]

Subdivision 1. [BOARD EXTENDED; MEMBERSHIP.] The transportation study board created under Laws 1988, chapter 603, section 6, is hereby extended. The board shall consist of the following members:

(1) five members of the senate, with not more than three of the same political party, appointed by the senate committee on committees; and

(2) five members of the house of representatives, with not more than three of the same political party, appointed by the speaker of the house. Appointments are for two-year terms beginning July 1 of each odd-numbered year. Vacancies must be filled in the same manner as the original appointments.

Subd. 2. [OFFICERS.] The board shall elect a chair and vice-chair from among its members. The chair must alternate biennially between a member of the house and a member of the senate. The vice-chair must be a house member when the chair is a senate member, and a senate member when the chair is a house member.

Subd. 3. [STAFF.] The board may employ professional, technical, consulting, and clerical services. The board may use legislative staff to provide legal counsel, research, secretarial, and clerical assistance.

Subd. 4. [EXPENSES AND REIMBURSEMENT.] The members of the board may receive per diem when attending meetings and other commission business. Members, employees, and legislative staff must be reimbursed for expenses actually and necessarily incurred in the performance of their duties under the rules governing legislators and legislative employees.

Subd. 5. [REPEALER.] This section is repealed, effective June 30, 1993.

Sec. 4. [3.863] [DUTIES.]

The transportation study board shall perform the following duties:

(1) review and participate with the house and senate transportation committees in developing recommendations for state transportation policies;

(2) monitor state transportation programs, expenditures, and activities;

(3) review and participate in the coordination of legislative initiatives that affect state and local transportation agencies; and

(4) propose special studies to the legislature and conduct studies at the direction of the legislature.

Sec. 5. [3.864] [SPECIAL STUDIES.]

Subdivision 1. [STUDIES.] The board shall conduct the studies in subdivisions 2 to 7 by January 1, 1993. The board may request the commissioner of transportation to conduct any of the studies and report to the board and the legislature.

Subd. 2. [HIGHWAY PLANNING PROCESS.] The board shall review the department of transportation's policies and procedures for identifying, evaluating, prioritizing, and implementing trunk highway development projects. The board shall not propose, iden-

tify, or otherwise select any specific project or category of projects. The board shall report to the legislature and the commissioner of transportation on the results of the study with recommendations:

(1) to the commissioner of transportation with respect to changes in the department's policies and procedures; and

(2) to the legislature with respect to changes in law governing those policies and procedures.

Subd. 3. [HIGHWAY JURISDICTION.] The board shall conduct a study of the functional classification of all streets and highways in Minnesota. The study shall include:

(1) development of a state jurisdiction plan, which must include:

(i) criteria for determining the functional class of each street and highway in the state;

(ii) identification of the appropriate jurisdiction of each street and highway, based on functional class; and

(iii) criteria for determining when jurisdiction should be based on factors other than functional class;

(2) recommendations for implementing the jurisdiction plan; and

(3) recommendations for changes in law to facilitate future jurisdiction transfers.

The board shall report to the legislature and the commissioner of transportation on the results of the study.

Subd. 4. [LIGHT RAIL TRANSIT.] The board shall review and report to the legislature on any preliminary engineering plans for light rail transit adopted by the commissioner of transportation under article 7.

Subd. 5. [STATE-AID DISTRIBUTION.] The board shall study all unresolved issues relating to distribution of the county state-aid highway fund and the municipal state-aid street fund. These issues may include, but need not be limited to:

(1) formulas for distributing money in these funds;

(2) methods of measuring and quantifying factors used in those formulas;

(3) the role of screening boards in this distribution;

(4) methods of mitigating reductions in state aid that might result to one or more counties from various changes in state aid formulas and distribution procedures; and

(5) appropriate levels of state participation in the cost of constructing and maintaining county state-aid highways and municipal state-aid streets.

Subd. 6. [LOCAL PARTICIPATION IN TRUNK HIGHWAY PROJECTS.] The board shall study the appropriate role of local units of government in assisting in the cost of projects to construct or reconstruct trunk highways. The study must include a recommendation of guidelines to govern the extent of that participation and the types of projects for which participation is feasible and desirable.

Subd. 7. [INCREASED USE OF HIGH-OCCUPANCY VEHICLES.] The board shall study the feasibility and desirability of increasing incentives for the use of high-occupancy vehicles such as carpools, vanpools, and transit. The board shall study and evaluate, among other things, each of the following incentives:

(1) tax incentives to employees;

(2) tax incentives and other incentives to employers;

(3) parking charges designed to discourage single-occupant vehicles and promote high-occupancy vehicles;

(4) road pricing on freeways and other commuting routes;

(5) staggered work hours;

(6) expanded availability and reduced cost of regular-route transit; and

(7) increased use of demand-responsive transit to meet the needs of persons otherwise automobile dependent.

Subd. 8. [LOCAL FINANCE STUDY.] The board shall study and report to the legislature by February 15, 1992, the use and effect of methods other than property tax revenues to finance local transportation improvements, including impact fees, transportation utility fees, and similar methods.

ARTICLE 8
METROPOLITAN TRANSIT SERVICE

Section 1. Minnesota Statutes 1990, section 473.375, subdivision 15, is amended to read:

Subd. 15. [PERFORMANCE STANDARDS.] The board may establish performance standards for recipients of financial assistance, except that performance standards for recipients of financial assistance under section 473.388 shall be established after consultation with such recipients.

Sec. 2. Minnesota Statutes 1990, section 473.377, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] The transit board shall prepare, submit to the council, and adopt an implementation plan as provided in section 473.161. The services and systems management component of the board's plan must include a description of the special transportation service provided under section 473.386. The board shall prepare an implementation plan meeting the requirements of this section and submit the plan to the council by August 1, 1986, and thereafter at a time prescribed by the council. The components of the implementation plan that are applicable to recipients of financial assistance under section 473.388 shall be prepared after consultation with such recipients.

Sec. 3. Minnesota Statutes 1990, section 473.388, is amended to read:

473.388 [~~REPLACEMENT~~ OPT-OUT TRANSIT SERVICE PROGRAM.]

Subdivision 1. [PROGRAM ESTABLISHED.] ~~A replacement~~ An opt-out transit service program is established to continue the metropolitan transit service demonstration program established in Minnesota Statutes 1982, section 174.265, as provided in this section.

Subd. 2. [~~REPLACEMENT~~ OPT-OUT TRANSIT SERVICE; ELIGIBILITY.] The transit board ~~may~~ shall provide assistance under the program to a statutory or home rule charter city or town or combination thereof, that:

(a) is located in the metropolitan transit taxing district;

(b) is not served by the transit commission or is served only with transit commission bus routes which begin or end within the applying city or town or combination thereof; and

(c) has fewer than four scheduled runs of metropolitan transit commission bus service during off-peak hours defined in section 473.408, subdivision 1.

Eligible cities or towns or combinations thereof may apply on behalf of a transit operator with whom they propose to contract for service.

The board may not provide assistance under this section to a statutory or home rule charter city or town unless the city or town,

(i) was receiving assistance under Minnesota Statutes 1982, section 174.265 by July 1, 1984,

(ii) had submitted an application for assistance under that section by July 1, 1984, or

(iii) had submitted a letter of intent to apply for assistance under that section by July 1, 1984, and submits an application for assistance under this section by July 1, 1988. A statutory or home rule charter city or town has an additional 12-month extension if it has notified the board before July 1, 1988, that the city or town is in the process of completing a transportation evaluation study that includes an assessment of the local transit needs of the city or town.

Subd. 3. [APPLICATION FOR ASSISTANCE.] An application for assistance under this section must:

(a) describe the existing service provided to the applicant by the transit commission, including the estimated number of passengers carried and the routes, schedules, and fares;

(b) describe the transit service proposed for funding under the demonstration program, including the anticipated number of passengers and the routes, schedules, and fares; and

(c) indicate the total amount of available local transit funds, the portion of the available local transit funds proposed to be used to subsidize ~~replacement~~ opt-out services, and the amount of assistance requested for the ~~replacement~~ opt-out services.

Subd. 4. [FINANCIAL ASSISTANCE.] The board ~~may~~ shall grant the requested financial assistance if it determines that the proposed service is consistent with the approved implementation plan and is intended to replace or increase the service to the applying city or town or combination thereof by the transit commission and that the proposed service will meet the needs of the applicant at least as efficiently and effectively as the existing service, if any, and that the assistance will be used for transit-related purposes.

The amount of assistance which the board ~~may~~ shall provide under this section ~~may not exceed the sum of:~~

(a) is the portion of the available local transit funds which the applicant proposes to use to subsidize the costs of the proposed service; and, including, but not limited to, costs of operations, personnel, administration, equipment, and property.

(b) an amount of financial assistance bearing an identical proportional relationship to the amount under clause (a) as the total amount of financial assistance to the transit commission bears to the total amount of taxes collected by the board under section 473.446. The board shall pay the amount to be provided to the recipient from the assistance the board would otherwise pay to the transit commission.

The board shall also provide an amount equal to one-sixth of the cost of the proposed service, recalculated annually, for the purpose of budget reserve. The budget reserve to be retained by recipients of financial assistance under this section may not exceed one-sixth of the current year cost of providing service. A budget reserve may not be budgeted or retained by a recipient under this section during any budget year in which the cost of providing service by that recipient equals or exceeds the total amount of available local transit funds.

The board shall disburse assistance to the recipient in advance, by monthly payments on or before the first day of each month of the year for which assistance is requested by the recipient.

Assistance provided by the board to the recipient must be spent for transit-related purposes. Assistance that is not spent in the budget year in which it is provided must be deposited with the board, who will place emphasis on the expenditure of these funds for suburban transit service.

For purposes of this section "available local transit funds" means 90 percent of the tax revenues which would accrue to the board from the ~~tax it levies~~ certified tax levy under section 473.446 in the applicant city or town or combination thereof, including the revenues which would accrue from the homestead and agricultural credit aid and disparity reduction aid.

Subd. 5. [OTHER ASSISTANCE.] A city or town receiving assistance under this section may also receive assistance from the board under section 473.384. In applying for assistance under that section an applicant must describe the portion of the available local transit funds which are not obligated to subsidize replacement service and which the applicant proposes to use to subsidize additional service. An applicant which has exhausted its available local transit funds may use any other local subsidy funds to complete the required local share.

Subd. 6. [ASSUMPTION OF PROGRAM.] The board shall certify to the commissioner of transportation when it has adopted an approved interim implementation plan and is ready to assume responsibility for the metropolitan transit service demonstration program administered by the commissioner under Minnesota Statutes 1982, section 174.265. On receipt of the certification the commissioner shall make no further contracts under that program and shall assign all contracts then in effect under that program to the board, and the contracts at that time become obligations of the board.

Subd. 7. [BUDGET.] A recipient of assistance under this section shall prepare an annual budget and, after holding a public hearing on the budget, shall submit the budget to the board for review. The board shall review and comment on the consistency of the budget with its implementation plan.

Sec. 4. [STUDIES REQUIRED.]

(a) The metropolitan council, in consultation with the board and after consultation with participants in the opt-out transit service program, must conduct a study of the costs of planning, administering and managing transit services in the metropolitan area, including the costs of coordinating and integrating services provided by different transit operators or authorities. The council, in consultation with the board, must direct its staff to examine whether the percentage of property tax revenues raised in communities participating in the program under Minnesota Statutes, section 473.388, which accrues to the board from the tax it levies under Minnesota Statutes, section 473.446, is adequate to finance those communities' prorated share of these costs. The council, in consultation with the board, must make a recommendation to the legislature on the appropriate percentage of property tax revenues to be used to finance these costs.

(b) The council, in consultation with the board and after consultation with participants in the opt-out transit service program, must conduct a study of the interaction between the funding mechanisms of the program under Minnesota Statutes, section 473.388, and the reductions of levied taxes made pursuant to Minnesota Statutes, section 473.446, subdivision 1. The council, in consultation with the board, must direct its staff to study the interaction of these provisions, including the effect of the interaction on the financing of transit services in the metropolitan area.

(c) The council must report to the legislature on the results of these studies on or before February 15, 1992.

Sec. 5. [APPLICATION.]

Sections 1 to 4 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

ARTICLE 9

FUEL TAX AGREEMENTS

Section 1. Minnesota Statutes 1990, section 168.187, subdivision 17, is amended to read:

Subd. 17. [TRIP PERMITS.] ~~The commission may,~~ Subject to agreements or arrangements made or entered into pursuant to subdivision 7, ~~the commissioner may issue trip permits for use of Minnesota highways by individual vehicles, on an occasional basis, for periods not to exceed 120 hours in compliance with rules promulgated pursuant to subdivision 23 and upon payment of a fee of \$15.~~

Sec. 2. Minnesota Statutes 1990, section 168.187, subdivision 26, is amended to read:

Subd. 26. [DELINQUENT FILING OR PAYMENT.] If a fleet owner licensed under this section and section ~~296.17~~ 296.171, subdivision ~~9a~~ 6, is delinquent in either the filing or payment of paying the international fuel tax agreement reports for more than 30 days, or the payment of paying the international registration plan billing for more than 30 days, the fleet owner, after ten days' written notice, is subject to suspension of the apportioned license plates and the international fuel tax agreement license.

Sec. 3. [296.171] [FUEL TAX COMPACTS.]

Subdivision 1. [AUTHORITY.] The commissioner of public safety has the powers granted to the commissioner of revenue under section 296.17. The commissioner of public safety may enter into an agreement or arrangement with the duly authorized representative of another state or make an independent declaration, granting to owners of vehicles properly registered or licensed in another state, benefits, privileges, and exemptions from paying, wholly or partially, fuel taxes, fees, or other charges imposed for operating the vehicles under the laws of Minnesota. The agreement, arrangement, or declaration may impose terms and conditions not inconsistent with Minnesota laws.

Subd. 2. [RECIPROCAL PRIVILEGES AND TREATMENT.] An agreement or arrangement must be in writing and provide that when a vehicle properly licensed for fuel in Minnesota is operated on highways of the other state, it must receive exemptions, benefits, and privileges of a similar kind or to a similar degree as are extended to a vehicle properly licensed for fuel in that state, when

operated in Minnesota. A declaration must be in writing and must contemplate and provide for mutual benefits, reciprocal privileges, or equitable treatment of the owner of a vehicle registered for fuel in Minnesota and the other state. In the judgment of the commissioner of public safety, an agreement, arrangement, or declaration must be in the best interest of Minnesota and its citizens and must be fair and equitable regarding the benefits that the agreement brings to the economy of Minnesota.

Subd. 3. [COMPLIANCE WITH MINNESOTA LAWS.] Agreements, arrangements, and declarations made under authority of this section must contain a provision specifying that no fuel license, or exemption issued or accruing under the license, excuses the operator or owner of a vehicle from compliance with Minnesota laws.

Subd. 4. [EXCHANGES OF INFORMATION.] The commissioner of public safety may make arrangements or agreements with other states to exchange information for audit and enforcement activities in connection with fuel tax licensing. The filing of fuel tax returns under this section is subject to the rights, terms, and conditions granted or contained in the applicable agreement or arrangement made by the commissioner under the authority of this section.

Subd. 5. [BASE STATE FUEL COMPACT.] The commissioner of public safety may ratify and effectuate the international fuel tax agreement or other fuel tax agreement. The commissioner's authority includes, but is not limited to, collecting fuel taxes due, issuing fuel licenses, issuing refunds, conducting audits, assessing penalties and interest, issuing fuel trip permits, issuing decals, and suspending or denying licensing.

Subd. 6. [MINNESOTA-BASED INTERSTATE CARRIERS.] Notwithstanding the exemption contained in section 296.17, subdivision 9, as the commissioner of public safety enters into interstate fuel tax compacts requiring base state licensing and filing and eliminating filing in the nonresident compact states, the Minnesota-based motor vehicles registered under section 168.187 will be required to license under the fuel tax compact in Minnesota.

Subd. 7. [DELINQUENT FILING OR PAYMENT.] If a fleet owner licensed under this section is delinquent in either filing or paying the international fuel tax agreement reports for more than 30 days, or paying the international registration plan billing under section 168.187 for more than 30 days, the fleet owner, after ten days' written notice, is subject to suspension of the apportioned license plates and the international fuel tax agreement license.

Subd. 8. [TRANSFERRING FUNDS TO PAY DELINQUENT FEES.] If a fleet owner licensed under this section is delinquent in either filing or paying the international fuel tax agreement reports

for more than 30 days, or paying the international registration plan billing under section 168.187 for more than 30 days, the commissioner may authorize any credit in either the international fuel tax agreement account or the international registration plan account to be used to offset the liability in either the international registration plan account or the international fuel tax agreement account.

Subd. 9. [FUEL COMPACT FEES.] License fees paid to the commissioner of public safety under the international fuel tax agreement must be deposited in the trunk highway fund. The commissioner shall charge the fuel license fee of \$30 established under section 296.17, subdivision 10, in annual installments of \$15 and an annual application filing fee of \$13 for quarterly reporting of fuel tax.

Subd. 10. [FUEL DECAL FEES.] The commissioner of public safety may issue and require the display of a decal or other identification to show compliance with subdivision 5. The commissioner may charge a fee to cover the cost of issuing the decal or other identification. Decal fees paid to the commissioner under this subdivision must be deposited in the trunk highway fund.

Sec. 4. [REPEALER.]

Minnesota Statutes 1990, section 296.17, subdivision 9a, is repealed."

Delete the title and insert:

"A bill for an act relating to transportation; establishing state transportation goals and requiring periodic revisions of the state transportation plan; providing for enforcement of law requiring stops at railroad grade crossings; providing for enhanced public information and education regarding grade crossing safety; directing a study of rail-highway grade crossings and requiring a report; authorizing the commissioner of transportation to make grants for the improvement of commercial navigation facilities; authorizing local units of government to advance funds for the completion of trunk highway projects; providing for rustic roads and natural preservation routes; authorizing variance from rules governing certain cargo tanks; directing commissioner of transportation to seek federal funds for bicycle facilities; creating a transportation services fund and providing for its uses; specifying percentage of unrefunded motor fuel tax revenue that is attributable to use on forest roads; providing for light rail transit; requiring the commissioner of transportation to include light rail transit facilities in the design for reconstruction of I-94 and I-35W; directing a study of highway corridors; extending and reconstituting the transportation study board and directing it to conduct certain studies; providing procedures related to assistance for transit systems; providing for the opt-out transit service program; providing for fuel tax agree-

ments; providing for fees; appropriating money; amending Minnesota Statutes 1990, sections 103G.301, by adding a subdivision; 162.02, subdivision 3a; 162.09, subdivision 3a; 168.187, subdivisions 17 and 26; 169.26; 171.13, subdivision 1, and by adding a subdivision; 174.01; 174.03, subdivision 2, and by adding a subdivision; 219.074, by adding a subdivision; 219.402; 221.033, by adding a subdivision; 296.16, subdivision 1a; 296.421, subdivision 8; 299D.03, subdivision 5; 473.373, subdivision 4a; 473.375, subdivision 15; 473.377, subdivision 1; 473.388; 473.399; 473.3991, subdivision 1, and by adding a subdivision; 473.3993, subdivisions 2, 3, and by adding a subdivision; 473.3994; and 473.3996; proposing coding for new law in Minnesota Statutes, chapters 3; 160; 161; 162; 174; 219; 296; and 473; proposing coding for new law as Minnesota Statutes, chapter 457A; repealing Minnesota Statutes 1990, section 296.17, subdivision 9a.”

The motion prevailed and the amendment was adopted.

Bauerly moved to amend S. F. No. 598, as amended, as follows:

Page 13, after line 24, insert:

“Sec. 4. Minnesota Statutes 1990, section 161.14, is amended by adding a subdivision to read:

Subd. 26. [ELMER L. ANDERSEN HIGHWAY.] That portion of constitutional route 18 known as trunk highway No. 169, beginning at Princeton and extending south six miles, is named and designated the “Elmer L. Andersen scenic highway.” The commissioner of transportation may adopt a suitable marking design to mark this highway, may erect the appropriate signs, and shall ensure preservation of the scenic beauty of the designated highway.”

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

O'Connor; Farrell; Hausman; Valento; Lieder; Waltman; Boo; Olsen, S.; Johnson, A.; McEachern; Abrams; Rice; Simoneau; Morrison; Seaberg; Knickerbocker; Trimble; Anderson, I.; Pellow; Lynch; Hanson; Gutknecht; Begich; Johnson, R.; Mariani; Nelson, K., and Kahn moved to amend S. F. No. 598, as amended, as follows:

Page 46, after line 29, insert:

"ARTICLE 10
PARKING TICKETS

Section 1. [168.135] [RENEWAL APPLICATIONS; DELINQUENT PARKING CITATIONS.]

Subdivision 1. [APPLICATION; NOTICE.] When a person applies to renew the registration for a motor vehicle, applies for duplicate, special, or personalized license plates, or applies for a change of classification, the registrar or deputy registrar shall check the computerized records system established under subdivision 2 to determine whether the applicant has been charged with a violation of a law or ordinance regulating the parking of vehicles for which the records collected under section 169.95 indicate a delinquent citation and fine. If a delinquent citation and fine is indicated, the registrar or deputy registrar shall notify the applicant as to the court to which payment of the fine is due and the amount of each fine.

Subd. 2. [COMPUTERIZED RECORDS SYSTEM; ACCESS.] (a) The registrar shall install, administer, and maintain in the department of public safety an efficient, computerized data base records system dedicated solely as the repository for delinquent parking citation and fine reports. The registrar shall provide and specify equipment and interconnection specifications, programming requirements, and training materials needed to provide courts and deputy registrars access to the department's dedicated computer data base of records on delinquent parking citations and fines.

(b) The system must be designed to allow each court to report and update by electronic communication directly with the system's computer data base those delinquent parking citations and fines that remain owing to the court. The system must be designed to allow access by a deputy registrar to the system upon transmittal of the access code of the deputy registrar, as assigned by the registrar.

(c) On complying with these specifications, providing the requisite data base accessing equipment and programming, and providing the specified interconnection equipment, the registrar shall allow each deputy registrar direct computer inquiry of these records. The system must allow electronic and toll-free telephonic access by deputy registrars as necessary to perform their vehicle registration responsibilities under subdivision 3. The registrar shall not assess a deputy registrar transaction or user costs, fees, or charges for inquiries required or necessary to discharge the duties of a deputy registrar under this section.

(d) Access must include the records required by this section and exclude only those records restricted by governing state or federal data privacy laws.

Subd. 3. [DEPUTY REGISTRARS' RESPONSIBILITIES.] (a) On receiving an application described in subdivision 1, the registrar or a deputy registrar shall access the computerized records system to discover if the applicant has a delinquent parking citation and fine. On gaining access to the system, the deputy registrar shall identify and communicate the license plate number for which the information is requested.

(b) Neither the registrar nor a deputy registrar may receive or process an application described in subdivision 1 if the response from the records system indicates that there is a delinquent citation and fine arising from a violation of a law or ordinance regulating the parking of vehicles and involving the vehicle for which the license plate was issued. A deputy registrar may rely conclusively upon the response of the records system to the inquiry.

(c) When a delinquent parking citation and fine has been paid or otherwise disposed of to the court's satisfaction, the court shall:

(1) issue the violator a receipt of payment or statement certifying that the delinquent fine has been paid or otherwise disposed of to the court's satisfaction; and

(2) update its listing of outstanding delinquent parking citations and fines to be recorded in the records system established in subdivision 2.

(d) An applicant may register the vehicle after paying or otherwise satisfactorily disposing of all delinquent parking citations and fines as follows:

(1) by reapplying after paying the outstanding parking fines to the appropriate courts and after each court's file of delinquent citations and fines have been recorded and updated in the computerized records system;

(2) by presenting court receipts or statements certifying that all delinquent fines have been paid or otherwise disposed of to the satisfaction of all applicable courts; or

(3) by paying all outstanding delinquent parking fines, as recorded in the computerized records system established in subdivision 2, by satisfactory payment to the deputy registrar, but only if the particular deputy registrar elects to provide this service. A deputy registrar electing to accept payments for fines under this

clause shall transmit all payments to the applicable courts without delay.

A deputy registrar may rely conclusively upon the receipts or certified statements issued under clause (2) and purporting to be that of the court named in the receipt or statement that the fines owed to that court have been paid or otherwise satisfied.

Subd. 4. [NOTICE AND REPORT BY COURT.] At least 15 days before any information on delinquent parking citations and fines is transmitted to the department's computerized records system, the court shall notify by mail to the last known address of the registered owner of the motor vehicle involved in the parking violation, of the nature of the violation, the amount of the fine, where the fine should be paid, and the resulting consequences concerning vehicle registration renewal if the fine is not paid. If the fine is not paid or otherwise disposed of to the satisfaction of the court or if a court appearance has not been scheduled, the court shall transmit the information to the department's computerized records system. The court may impose costs and assess penalties to the defendant to recover any expense incurred by the court in administering the notice and reporting requirements of this section. The costs and penalties are payable to the court.

Sec. 2. [168.331] [PARKING VIOLATION NOTIFICATION PROGRAM; FEE.]

An additional fee of \$1 is imposed on all violations of laws and ordinances regulating the parking of motor vehicles. Courts, violations bureaus, or other entities that collect fines for parking violations shall transmit monthly the proceeds of the fee to the registrar. The registrar shall deposit the proceeds in the general fund.

Sec. 3. [169.042] [PARKING VIOLATION WARRANTS PROHIBITED.]

A court shall not issue a warrant for the arrest of a person for delinquent parking citations for vehicles registered in Minnesota.

Sec. 4. Minnesota Statutes 1990, section 169.91, subdivision 3, is amended to read:

Subd. 3. [NOTICE TO APPEAR.] When a citation is issued for a parking violation or when a person is arrested for any violation of any law or ordinance relating to motor vehicles, their registration or their operation, or the use of the highways, the issuing or arresting officer shall prepare a written notice to appear in court. This place must be before a judge within the county in which the offense charged is alleged to have been committed who has jurisdiction and

is nearest or most accessible with reference to the place of arrest or parking violation. If the offense is a petty misdemeanor, the notice to appear must include a statement that a failure to appear will be considered a plea of guilty and waiver of the right to trial, unless the failure to appear is due to circumstances beyond the person's control. If the offense is for a violation of a law or ordinance regulating the parking of vehicles, a subsequent notice to appear must be mailed to the registered owner of the vehicle.

Sec. 5. Minnesota Statutes 1990, section 169.95, is amended to read:

169.95 [COURTS TO KEEP SEPARATE COURT RECORDS AND REPORTS OF VIOLATIONS AND DELINQUENT FINES.]

Subdivision 1. [RECORDS.] Every court administrator shall keep a full record of every case in which a person is charged with a violation of any law or ordinance, regulating the operation or parking of vehicles on highways.

Subd. 2. [REPORTS OF TRAFFIC VIOLATIONS.] Within ten days after the conviction or forfeiture of bail of a person upon a charge of violating any provisions of any law or ordinance, regulating the operation of vehicles on highways, except for parking violations, the court administrator of the court in which the conviction was had or bail was forfeited, shall immediately forward to the department of public safety an abstract of the record of the court covering the case in which the person was convicted or forfeited bail. The abstract must be certified by the person required to prepare it to be true and correct.

The abstract must be made upon a form furnished by the department of public safety, and shall include the name and address of the party charged, the driver's license number of the person involved, the nature of the offense, the date of hearing, the plea, the judgment, or whether bail was forfeited, and the amount of the fine or forfeiture, as the case may be.

Every court shall also forward a report to the department of public safety reporting the conviction of any person of manslaughter or other felony in the commission of which a vehicle was used.

Subd. 3. [REPORTS OF DELINQUENT FINES.] Every court administrator shall report delinquent parking citations and fines to the department of public safety's computerized records system established under section 1. The court administrator shall report within 30 days after the date that the payment of a fine is due. The report must be made to the commissioner of public safety as prescribed in section 1 and must contain the following information:

(1) the license plate number of the motor vehicle involved in the violation;

(2) the number of delinquent parking citations and fines;

(3) the amount of the fine for each citation; and

(4) the date the parking citation was issued.

Subd. 4. [JUDICIAL COMPLIANCE.] The failure, refusal, or neglect of any judicial officer to comply with any of the requirements of this section shall constitute misconduct in the office and shall be grounds for removal.

Sec. 6. Minnesota Statutes 1990, section 169.99, subdivision 1, is amended to read:

Subdivision 1. [EFFECT; FORM; CONTENT.] (a) Except as provided in subdivision 3, there shall be a uniform ticket issued throughout the state by the police and peace officers or by any other person for violations of this chapter and ordinances in conformity thereto. Such uniform traffic ticket shall be in the form and have the effect of a summons and complaint. Except as provided in paragraph (b), the uniform ticket shall state that if the defendant fails to appear in court in response to the ticket, an arrest warrant may be issued. The uniform traffic ticket shall consist of four parts, on paper sensitized so that copies may be made without the use of carbon paper, as follows:

(1) the complaint, with reverse side for officer's notes for testifying in court, driver's past record, and court's action, printed on white paper;

(2) the abstract of court record for the department of public safety, which shall be a copy of the complaint with the certificate of conviction on the reverse side, printed on yellow paper;

(3) the police record, which shall be a copy of the complaint and of the reverse side of copy (1), printed on pink paper;

(4) the summons, with, on the reverse side, such information as the court may wish to give concerning the traffic violations bureau, and a plea of guilty and waiver, printed on off-white tag stock.

(b) If the offense is a petty misdemeanor, the uniform ticket must state that a failure to appear will be considered a plea of guilty and waiver of the right to trial, unless the failure to appear is due to circumstances beyond the person's control.

(c) The copy of the uniform traffic ticket provided to the violator of a law or ordinance regulating the parking of vehicles must include a notice specifying the consequences regarding vehicle registration that may result if the violator fails to respond to the citation.

Sec. 7. [APPROPRIATION.]

\$447,000 the first year of the biennium and \$282,000 the second year of the biennium is appropriated from the general fund to the commissioner of public safety for the purposes of sections 1 to 6. This appropriation is available until spent.

The complement of the department of public safety is increased by three positions.

Sec. 8. [EFFECTIVE DATE.]

Section 1, subdivision 2, and section 7 are effective August 1, 1991. The remaining provisions of this article are effective January 1, 1993, for parking citations outstanding and fines delinquent on and after that date.

Amend the title as follows:

Page 1, line 30, after the first semicolon insert "establishing system for the notification, recording, and collection of delinquent fines for parking violations; prohibiting registration of vehicle of owner who has not paid the fine for a parking violation; prohibiting issuance of warrants for parking violations;"

Page 1, line 34, after the second semicolon, insert "169.91, subdivision 3; 169.95; and 169.99, subdivision 1;"

Page 1, line 45, after the fourth semicolon insert "168; 169;"

The motion prevailed and the amendment was adopted.

Anderson, I., moved to amend S. F. No. 598, as amended, as follows:

Page 46, after line 29, insert:

"ARTICLE 10

SPECIAL TRANSPORTATION SERVICE

Section 1. Minnesota Statutes 1990, section 171.01, is amended by adding a subdivision to read:

Subd. 24. [SPECIAL TRANSPORTATION SERVICE.] “Special transportation service” means motor vehicle transportation provided on a regular basis by a public or private entity or person that is designed primarily to serve individuals who are elderly, handicapped, or disabled and who are unable to use regular means of transportation but do not require ambulance service, as defined in section 144.801, subdivision 4. Special transportation service includes but is not limited to service provided by specially equipped buses, vans, and taxis. Special transportation service does not include a volunteer driver using a private passenger vehicle that belongs to the volunteer.

Sec. 2. Minnesota Statutes 1990, section 171.02, subdivision 2, is amended to read:

Subd. 2. [DRIVER'S LICENSE CLASSIFICATIONS, ENDORSEMENTS, EXEMPTIONS.] Drivers' licenses shall be classified according to the types of vehicles which may be driven by the holder of each type or class of license. The commissioner may, as appropriate, subdivide the classes listed in this subdivision and issue licenses classified accordingly. No class of license shall be valid to operate a motorcycle, school bus, special transportation service vehicle, tank vehicle, double-trailer or triple-trailer combination, vehicle transporting hazardous materials, or bus, unless so endorsed. There shall be four general classes of licenses as follows:

(a) Class C; valid for:

(1) all farm trucks as defined in section 168.011, subdivision 17, operated by (i) the owner, (ii) an immediate family member of the owner, (iii) an employee of the owner not primarily employed to operate the farm truck, within 150 miles of the farm, or (iv) an employee of the owner employed during harvest to operate the farm truck for the first, continuous transportation of agricultural products from the production site or on-farm storage site to any other location within 50 miles of that site;

(2) fire trucks and emergency fire equipment, whether or not in excess of 26,000 pounds gross vehicle weight, operated by a firefighter while on duty, or a tiller operator employed by a fire department who drives the rear portion of a midmount aerial ladder truck;

(3) recreational equipment as defined in section 168.011, subdivision 25, that is operated for personal use; and

(4) all single unit vehicles except vehicles with a gross vehicle weight of 26,001 or more pounds, vehicles designed to carry more than 15 passengers including the driver, and vehicles that carry hazardous materials; and

(5) with a special transportation service vehicle endorsement, operating a motor vehicle providing special transportation service.

The holder of a class C license may also tow vehicles under 10,000 pounds gross vehicle weight.

(b) Class CC; valid for:

(1) operating class C vehicles;

(2) with a hazardous materials endorsement, transporting hazardous materials in class C vehicles; and

(3) with a school bus endorsement, operating school buses designed to transport 15 or fewer passengers, including the driver.

(c) Class B; valid for all vehicles in class C, class CC, and all other single unit vehicles including, with a passenger endorsement, buses.

(d) Class A; valid for any vehicle or combination thereof.

Sec. 3. Minnesota Statutes 1990, section 171.10, subdivision 2, is amended to read:

Subd. 2. [ENDORSEMENTS ADDED.] (a) Any person, after applying for or receiving a driver's license and prior to the expiration year of the license, who wishes to have a motorcycle, school bus, special transportation service vehicle, tank vehicle, passenger, double-trailer or triple-trailer, or hazardous materials vehicle endorsement added to the license, shall, after taking the necessary examination, apply for a duplicate license and make payment of the proper fee.

Sec. 4. Minnesota Statutes 1990, section 171.13, subdivision 5, is amended to read:

Subd. 5. [FEE FOR VEHICLE ENDORSEMENT.] Any person applying to secure a motorcycle, school bus, special transportation service vehicle, tank vehicle, passenger, double-trailer or triple-trailer, or hazardous materials vehicle endorsement on the person's driver's license shall pay a \$2.50 examination fee at the place of application.

Sec. 5. [171.323] [SPECIAL TRANSPORTATION SERVICE DRIVERS.]

Subdivision 1. [DRIVER'S LICENSE WITH ENDORSEMENT REQUIRED.] No person shall drive a motor vehicle providing special transportation service within the seven-county metropolitan area as defined in section 473.121, subdivision 2, without having a

valid class A, class B, or class CC driver's license with a special transportation service vehicle endorsement.

Subd. 2. [QUALIFICATIONS; RULES.] The commissioner of public safety shall prescribe rules governing the procedures for issuance of a special transportation service vehicle permit and endorsement, which include the following provisions:

(1) Procedures for issuance of a special transportation service permit valid for not more than ninety (90) days upon proof that the applicant is not disqualified based on prior criminal convictions as described in this section.

(2) Procedures to issue a special transportation service vehicle endorsement if, within the permit period, the applicant provides proof of the completion of the training required by the commissioner of transportation under section 174.30.

(3) Procedures for withdrawal of an endorsement after issuance.

(4) Procedures for applicants to challenge the withdrawal or denial of an endorsement; and

(5) Procedures for issuance of a certificate of endorsement for a nonresident driving special transportation service vehicles in Minnesota.

Subd. 3. [STUDY OF APPLICANT.] Before issuing or renewing a special transportation service vehicle endorsement, the commissioner shall conduct a criminal records check of the applicant. The commissioner may also conduct a records check at any time while a person is so licensed. The check shall consist of a criminal records check of the state criminal records repository. If the applicant has resided in Minnesota for less than five years, the records check shall also include a criminal records check of information from the state law enforcement agencies in the states where the applicant resided during the five years before moving to Minnesota, and of the national criminal records repository including the criminal justice data communications network. The applicant's failure to cooperate with the commissioner in conducting a records check is reasonable cause to deny an application or cancel a special transportation vehicle endorsement. The commissioner may not release the results of a records check to any person except the applicant.

Subd. 4. [DISQUALIFICATION FOR PRIOR CONVICTION.] No endorsement shall be authorized for any person unless the applicant or licensee:

(1) is not disqualified to receive a school bus endorsement due to criminal history;

(2) is not disqualified as a special transportation service driver under the rules of the commissioner of transportation promulgated under to section 174.30; and

(3) has a criminal record clear of conviction of offenses relating to vulnerable adult abuse under section 626.557.

Sec. 6. [ADVISORY COUNCIL ON PARATRANSIT.]

Subdivision 1. [CREATION; MEMBERSHIP.] The regional transit board shall establish a paratransit advisory council under section 15.059, consisting of the following members:

(1) two members representing the regional transit board, appointed by the chair of the board;

(2) two members representing the department of human services, appointed by the commissioner of human services;

(3) one member representing the department of transportation, appointed by the commissioner of transportation;

(4) one member representing the metropolitan transit commission, appointed by the commission's chair;

(5) one member representing the council on disability, appointed by the council;

(6) one member representing nonprofit providers, appointed by the commissioner of human services;

(7) one member representing for-profit providers, appointed by the commissioner of human services;

(8) one member representing the senior community, appointed by the commissioner of human services;

(9) one member representing the metropolitan area, appointed by the chair of the metropolitan council; and

(10) two members representing users of paratransit, appointed by the chair of the board.

The council shall expire December 31, 1991.

Subd. 2. [ADMINISTRATION.] The regional transit board and the department of human services shall provide staff and administrative services for the council. The organizations whose representatives are listed in subdivision 1, clauses (4) to (8), shall provide

information, staff, and technical assistance for the council as needed.

Subd. 3. [STUDIES.] The council shall conduct a feasibility study of the consolidation and coordination of the existing metro mobility service trips with the existing department of human services medical assistance service trips in the metropolitan area. The council shall seek consultation from affected persons and organizations not represented by members appointed under subdivision 1, including but not limited to, day training and habilitation centers, nursing facilities, and intermediate care facilities for the mentally retarded.

Subd. 4. [REPORT.] The commissioner of human services and the chair of the regional transit board shall jointly submit their consolidation and coordination feasibility report and recommendations to the legislature and the governor not later than December 31, 1991.

Subd. 5. [DEFINITION.] For the purposes of this section, "metropolitan area" has the meaning given it in section 473.121, subdivision 2.

Sec. 7. [APPLICATION.]

Section 6 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 598, A bill for an act relating to transportation; establishing state transportation goals and requiring periodic revisions of the state transportation plan; directing a study of rail-highway grade crossings; establishing penalties for violations of grade crossing safety laws; authorizing the commissioner of transportation to make grants and loans for the improvement of commercial navigation facilities; establishing special categories of roads and highways; authorizing local units of government to advance funds for the completion of highway projects; authorizing road authorities to enter into agreements for the construction, maintenance, and operation of toll facilities; creating a transportation services fund; specifying percentage of unrefunded motor fuel tax revenue that is attributable to use on forest roads; authorizing the use of local bridge grant funds to construct drainage structures; requiring the commissioner of transportation to include light rail transit facilities in the design for reconstruction of interstate highways I-94 and I-35W; requiring a report on metropolitan transportation development and transit development consistent with the report; authorizing the commissioner of transportation to plan, acquire, construct,

and equip light rail transit facilities; creating a light rail transit joint powers board; establishing a paratransit advisory council; authorizing transportation research; directing a study of highway corridors; extending the transportation study board and specifying duties; appropriating money; amending Minnesota Statutes 1990, sections 162.02, subdivision 3a; 162.09, subdivision 3a; 162.14, subdivision 6; 169.14, by adding a subdivision; 169.26; 171.13, subdivision 1, and by adding a subdivision; 173.13, subdivision 4; 174.01; 174.03, subdivision 2, and by adding a subdivision; 219.074, by adding a subdivision; 219.402; 296.16, subdivision 1a; 296.421, subdivision 8; 299D.03, subdivision 5; 473.373, subdivision 4a; 473.3993, subdivisions 2 and 3, and by adding a subdivision; 473.3994; and 473.3996; Laws 1990, chapter 610, article 1, section 13, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 3; 160; 161; 162; 174; 219; and 473; proposing coding for new law as Minnesota Statutes, chapters 161; 457A; and 473; repealing Laws 1989, chapter 339, section 21.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	O'Connor	Segal
Anderson, I.	Frerichs	Kinkel	Olsen, S.	Simoneau
Anderson, R.	Garcia	Knickerbocker	Olson, E.	Skoglund
Anderson, R. H.	Girard	Koppendraye	Olson, K.	Smith
Battaglia	Goodno	Krinkie	Omann	Solberg
Bauerly	Greenfield	Krueger	Onnen	Sparby
Beard	Gruenes	Lasley	Orenstein	Stanius
Begich	Gutknecht	Leppik	Orfield	Steensma
Bertram	Hanson	Lieder	Osthoff	Sviggum
Bettermann	Hartle	Limmer	Ostrom	Swenson
Blatz	Hasskamp	Long	Ozment	Thompson
Bodahl	Haukoos	Lourey	Pauly	Tompkins
Boo	Hausman	Lynch	Pellow	Tunheim
Brown	Heir	Macklin	Pelowski	Uphus
Carlson	Henry	Mariani	Peterson	Valento
Carruthers	Hugoson	Marsh	Pugh	Vellenga
Clark	Jacobs	McEachern	Reding	Wagenius
Cooper	Janezich	McGuire	Rest	Waltman
Dauner	Jaros	McPherson	Rice	Weaver
Davids	Jefferson	Milbert	Rodosovich	Wejcman
Dawkins	Jennings	Morrison	Rukavina	Welle
Dempsey	Johnson, A.	Munger	Runbeck	Wenzel
Dille	Johnson, R.	Murphy	Sarna	Winter
Dorn	Johnson, V.	Nelson, K.	Scheid	Spk. Vanasek
Erhardt	Kahn	Nelson, S.	Schreiber	
Farrell	Kalis	Newinski	Seaberg	

Those who voted in the negative were:

Hufnagle
Welker

The bill was passed, as amended, 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. 143:

Greenfield, Murphy and Anderson, R.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 303:

Wagenius, Rukavina, Ozment, McGuire and Hausman.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 930:

Krueger, Bishop and Lourey.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 520:

Dawkins, Pugh and Swenson.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 126

A bill for an act relating to highways; designating the Paul Bunyan Expressway from Little Falls through Cass Lake to Bemidji; amending Minnesota Statutes 1990, section 161.14, by adding a subdivision.

May 17, 1991

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. 126, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments.

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

House Conferees: BOB JOHNSON, KRIS HASKAMP AND ANTHONY G. "TONY" KINKEL.

Senate Conferees: DON SAMUELSON AND HAROLD R. "SKIP" FINN.

Johnson, R., moved that the report of the Conference Committee on H. F. No. 126 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 126, A bill for an act relating to highways; designating the Paul Bunyan Expressway from Little Falls through Cass Lake to Bemidji; amending Minnesota Statutes 1990, section 161.14, 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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Olsen, S.	Skoglund
Anderson, I.	Frerichs	Kinkel	Olson, E.	Smith
Anderson, R.	Garcia	Knickerbocker	Olson, K.	Solberg
Anderson, R. H.	Girard	Koppendrayer	Omann	Sparby
Battaglia	Goodno	Krinkie	Onnen	Stanius
Bauerly	Greenfield	Krueger	Orenstein	Steensma
Beard	Gruenes	Lasley	Orfield	Sviggun
Begich	Gutknecht	Leppik	Osthoff	Swenson
Bertram	Hanson	Lieder	Ostrom	Thompson
Bettermann	Hartle	Limmer	Ozment	Tompkins
Bishop	Haskamp	Long	Pauly	Trimble
Blatz	Haukoos	Lourey	Pellow	Tunheim
Bodahl	Hausman	Lynch	Pelowski	Uphus
Boo	Heir	Macklin	Peterson	Valento
Brown	Henry	Mariani	Pugh	Vellenga
Carlson	Hufnagle	Marsh	Reding	Wagenius
Carruthers	Hugoson	McEachern	Rest	Waltman
Clark	Jacobs	McGuire	Rice	Weaver
Cooper	Janezich	McPherson	Rodosovich	Wejcmann
Dauner	Jaros	Milbert	Rukavina	Welker
Davids	Jefferson	Morrison	Runbeck	Welle
Dawkins	Jennings	Munger	Sarna	Wenzel
Dempsey	Johnson, A.	Murphy	Scheid	Winter
Dille	Johnson, R.	Nelson, K.	Schreiber	Spk. Vanasek
Dorn	Johnson, V.	Nelson, S.	Seaberg	
Erhardt	Kahn	Newinski	Segal	
Farrell	Kalis	O'Connor	Simoneau	

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

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Long from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 1652, A resolution memorializing the Postmaster General to issue a postal stamp in commemoration of Wanda Gag, American Author and Illustrator.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 1652 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 rule 1.09, designated the following bills as Special Orders to be acted upon immediately preceding printed Special Orders for today, Saturday, May 18, 1991:

S. F. No. 1571; H. F. No. 1655; S. F. Nos. 371, 300 and 919; and H. F. No. 1693.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Long, from the Committee on Rules and Legislative Administration, pursuant to rule 1.09, designated the following bills as Special Orders to be acted upon immediately following printed Special Orders for today, Saturday, May 18, 1991:

S. F. Nos. 205, 1224, 652, 1152, 1284, 774, 1231, 979, 204, 899, 906, 928, 559, 505, 634, 1127, 861, 1050, 1300, 804, 782 and 601.

The Speaker called Krueger to the Chair.

SPECIAL ORDERS

S. F. No. 1571 was reported to the House.

The Speaker resumed the Chair.

Onnen, Sviggum, Smith, Uphus, Pellow, Swenson, Gruenes, Seaberg, Omann, Goodno, Welker, Waltman, Limmer, Knickerbocker, Girard, Runbeck, Valento, Bettermann and Hufnagle moved to amend S. F. No. 1571, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 2.021, is amended to read:

2.021 [NUMBER OF MEMBERS.]

For each legislature, ~~until a new apportionment shall have been made elected in 1992 and thereafter~~, the senate is composed of ~~67~~ 56 members and the house of representatives is composed of ~~134~~ 112 members.

Sec. 2. [EFFECTIVE DATE.]

This act takes effect the day after final enactment.”

Delete the title and insert:

“A bill for an act relating to the legislature; fixing its size in 1992 and thereafter; amending Minnesota Statutes 1990, section 2.021.”

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 45 yeas and 85 nays as follows:

Those who voted in the affirmative were:

Abrams	Blatz	Erhardt	Girard	Gutknecht
Anderson, R. H.	Boo	Frederick	Goodno	Haukoos
Bettermann	Dempsey	Frerichs	Gruenes	Heir

Henry	Leppik	Newinski	Runbeck	Swenson
Hufnagle	Limmer	Olsen, S.	Schreiber	Uphus
Hugoson	Macklin	Omann	Seaberg	Valento
Knickerbocker	Marsh	Onnen	Smith	Waltman
Koppndrayer	McPherson	Pauly	Stanius	Weaver
Krinkie	Morrison	Pellow	Svigum	Welker

Those who voted in the negative were:

Anderson, I.	Farrell	Kelso	Ogren	Segal
Battaglia	Garcia	Kinkel	Olson, E.	Simoneau
Bauerly	Greenfield	Krueger	Olson, K.	Skoglund
Beard	Hanson	Lasley	Orenstein	Solberg
Begich	Hartle	Lieder	Orfield	Sparby
Bertram	Hasskamp	Long	Osthoff	Steenasma
Bodahl	Hausman	Lourey	Ostrom	Thompson
Brown	Jacobs	Lynch	Pelowski	Tompkins
Carlson	Janezich	Mariani	Peterson	Trimble
Carruthers	Jaros	McEachern	Pugh	Tunheim
Clark	Jefferson	McGuire	Reding	Vellenga
Cooper	Jennings	Milbert	Rest	Wagenius
Dauner	Johnson, A.	Munger	Rice	Wejcmann
Davids	Johnson, R.	Murphy	Rodosovich	Welle
Dawkins	Johnson, V.	Nelson, K.	Rukavina	Wenzel
Dille	Kahn	Nelson, S.	Sarna	Winter
Dorn	Kalis	O'Connor	Scheid	Spk. Vanasek

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

Schreiber; Olsen, S.; Pauly and Smith moved to amend S. F. No. 1571, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 2.021, is amended to read:

2.021 [NUMBER OF MEMBERS.]

For each legislature, ~~until a new apportionment shall have been made elected after 1992 and before 2002, the senate is composed of 67 61 members and the house of representatives is composed of 134 122 members. For each legislature elected in 2002 and thereafter, the senate is composed of 55 members and the house of representatives is composed of 110 members.~~

Sec. 2. [EFFECTIVE DATE.]

This act takes effect the day after final enactment.”

Delete the title and insert:

“A bill for an act relating to the legislature; fixing its size in 1992 and thereafter; amending Minnesota Statutes 1990, section 2.021.”

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 84 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Koppendrayer	Olsen, S.	Stanius
Anderson, R. H.	Goodno	Krinkie	Omann	Sviggum
Bettermann	Gruenes	Leppik	Onnen	Swenson
Bishop	Gutknecht	Limmer	Ozment	Uphus
Blatz	Haukoos	Macklin	Pauly	Valento
Boo	Heir	Marsh	Pellow	Waltman
Dempsey	Henry	McPherson	Runbeck	Weaver
Erhardt	Hufnagle	Morrison	Schreiber	Welker
Frederick	Hugoson	Newinski	Seaberg	
Frerichs	Knickerbocker	O'Connor	Smith	

Those who voted in the negative were:

Anderson, I.	Farrell	Kelso	Olson, E.	Simoneau
Battaglia	Garcia	Kinkel	Olson, K.	Skoglund
Bauerly	Greenfield	Krueger	Orenstein	Solberg
Beard	Hanson	Lasley	Orfield	Sparby
Begich	Hartle	Lieder	Osthoff	Steensma
Bertram	Hasskamp	Long	Ostrom	Thompson
Bodahl	Hausman	Lourey	Pelowski	Tompkins
Brown	Jacobs	Lynch	Peterson	Trimble
Carlson	Janezich	Mariani	Pugh	Tunheim
Carruthers	Jaros	McEachern	Reding	Vellenga
Clark	Jefferson	McGuire	Rest	Wagenius
Cooper	Jennings	Milbert	Rice	Wejzman
Dauner	Johnson, A.	Munger	Rodosovich	Welle
Davids	Johnson, R.	Murphy	Rukavina	Wenzel
Dawkins	Johnson, V.	Nelson, K.	Sarna	Winter
Dille	Kahn	Nelson, S.	Scheid	Spk. Vanasek
Dorn	Kalis	Ogren	Segal	

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

Sviggum, McPherson, Valento, Haukoos and Hufnagle offered an amendment to S. F. No. 1571.

POINT OF ORDER

Osthoff raised a point of order pursuant to rule 3.09 that the Sviggum et al amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

Abrams moved to amend S. F. No. 1571, as follows:

Page 1, after line 8, insert:

“Section 1. Subdivision 1. An amendment to the Minnesota

Constitution is proposed to the people as provided by subdivisions 2 and 3.

Subd. 2. If the amendment is adopted, article IV, sections 2 and 3 will read as follows:

Sec. 2. The number of members who compose the senate and house of representatives shall be prescribed by law. The representation in both houses shall be apportioned equally throughout the different sections of the state in proportion to the population thereof. A law changing the number of senators or representatives shall be effective on January 1 of the next year ending in the number one following enactment of the law and shall govern general elections held under an apportionment plan that becomes effective after that date.

Sec. 3. At its first session after each enumeration of the inhabitants of this state made by the authority of the United States, the legislature shall have the power to prescribe the bounds of congressional and legislative districts. Senators shall be chosen by single districts of convenient contiguous territory. No representative district shall be divided in the formation of a senate district. The senate districts shall be numbered in a regular series. The legislature shall not prescribe the boundaries for the districts of senators and representatives or for the districts of representatives in the congress of the United States.

Subd. 3. If the amendment is adopted, a new article will be added to the constitution which will read as follows:

ARTICLE XV

REDISTRICTING COMMISSION

Section 1. [REDISTRICTING COMMISSION.]

Beginning in 2001, and in each subsequent year ending in the number one, or when required by court order, a redistricting commission shall be established to draw the boundaries of legislative and congressional districts.

The commission shall consist of nine members who are eligible voters of the state. One member must be appointed by the speaker of the house and one by the members of the house representing political parties other than the party represented by the speaker. One member must be appointed by the president of the senate and one by the members of the senate representing political parties other than the party represented by the president. Article IV, section 5 does not apply to the appointment of these four members of

the redistricting commission. The term "political party" as used in this section has the meaning provided by law.

The remaining five members must be appointed by unanimous agreement of the legislative appointees. The qualifications of these members must be provided by law.

Members of the commission must be appointed within the time provided by law but not later than March 15 when the commission is established in a year ending in the number one. The supreme court shall fill any vacancy caused by failure to appoint a member within the time required by law.

Sec. 2. [APPORTIONMENT STANDARDS.]

The commission shall draw the boundaries of legislative and congressional districts in accordance with the following requirements:

- (1) Each district is entitled to elect a single member.
- (2) A state representative district may not be divided in the formation of a senate district.
- (3) The state legislative districts must be substantially equal in population. The population of a state legislative district must not deviate from the ideal by more than two percent, plus or minus.
- (4) The districts must be composed of compact, convenient contiguous territory. Contiguity by water is sufficient if the water is not a serious obstacle to travel within the district.
- (5) The districts must be numbered in a regular series.
- (6) The districts must not dilute the voting strength of racial or language minority populations. Where a concentration of a racial or language minority makes it possible, the districts must increase the probability that members of the minority will be elected.
- (7) A county, city, or town should not be divided into more than one district except as necessary to meet equal-population requirements or to form districts that are composed of compact, convenient contiguous territory.
- (8) The districts should attempt to preserve communities of interest where that can be done in compliance with the preceding standards.
- (9) No redistricting plan may be drawn for the purpose of favoring any person or political party.

Sec. 3. [REDISTRICTING PLAN.]

The commission shall adopt a redistricting plan within the time provided by law but not later than December 1 when the commission is established in a year ending in the number one. The plan must set forth all of the new legislative and congressional districts. A redistricting plan is adopted by the commission when it is approved by a vote of at least six of its members.

Sec. 4. [EFFECTIVE DATE; ELECTIONS GOVERNED BY NEW DISTRICTS.]

A redistricting plan is effective when it is adopted and any judicial proceedings have been completed. The districts set forth in a redistricting plan must govern elections of state senators, state representatives and representatives in congress beginning with the first general election after the plan is effective.

Sec. 5. [JUDICIAL REVIEW; COURT DRAWN PLAN.]

The supreme court shall exercise original jurisdiction in any matter relating to redistricting in the manner provided by law. If the commission fails to adopt a redistricting plan within the time provided by law the supreme court shall adopt its own plan in accordance with the requirements of section 2 of this article. If a redistricting plan for legislative districts is adopted by the supreme court later than April 1 of a general election year, the time for establishing residency for legislative candidates as set forth in article IV, section 6, is extended to either 45 days after the effective date of the plan or to the last day provided by law for filing for office at the general election, whichever is earlier.

Sec. 6. [IMPLEMENTATION.]

The legislature may enact the laws necessary to implement this article. Redistricting is governed by the law in effect on January 1 of the year in which a reapportionment commission is established.

Sec. 7. The amendment shall be submitted to the people at the 1980 general election. The question proposed shall be:

“Shall the Minnesota Constitution be amended to transfer from the legislature to a bipartisan commission the power to draw the boundaries of legislative and congressional districts?

Yes.....
No.....”

Sec. 2. [2.022] [CITATION.]

Sections 3 to 14 may be cited as the "Redistricting Implementation Act."

Sec. 3. [2.023] [APPOINTMENT.]

Subdivision 1. For the purposes of Article XV, section 1 of the Minnesota Constitution "political party" means the political party or political principle by which a legislator was designated on the general election ballot when the legislator was last elected.

Subd. 2. Not more than five members of the commission may be residents of the metropolitan area as defined in section 473.121, subdivision 2 and not more than five may be residents of the area consisting of the remainder of the state.

Subd. 3. Except for the members appointed under subdivision 5, no individual may be appointed or serve as a member of the commission who:

(a) Holds or has held within two years prior to appointment an elected or appointed office in the executive, judicial or legislative branch or in an independent agency of the federal or state government;

(b) Is or has been within two years prior to appointment an officer of a campaign committee of a candidate for state or federal office or an officer of a political party other than a precinct officer;

(c) Is an employee of the legislature or congress;

(d) Is a member of the immediate family of a legislator or representative in congress. "Member of the immediate family" means father, mother, son, daughter, brother, sister, spouse, ex-spouse or member of the same household; or

(e) Is or has been within two years prior to appointment a lobbyist as that term is defined by section 10A.01, subdivision 11.

Subd. 4. Except for members appointed under subdivision 5, no individual appointed as a member of the commission may remain a member if the individual becomes a candidate for any elective state or federal office.

Subd. 5. Not later than January 15 of each year ending in the number one the secretary of state shall request the legislators who are authorized by the constitution to appoint members to serve on the commission to certify the names of their appointees. The representatives representing political parties other than the party represented by the speaker of the house and the senators representing political parties other than the party represented by the presi-

dent of the senate shall convene during the ten days following the request of the secretary of state, at a time and place directed by the secretary, to appoint members of the commission. The secretary of state shall preside at these conventions. The names of all legislative appointees shall be certified to the secretary of state not later than the following February 1. If a certification is not received within the required time, the secretary of state shall notify the chief justice of the supreme court that there is a vacancy on the commission. Within ten days after notification the supreme court shall fill the vacancy and certify the name of the appointee to the secretary of state.

Subd. 6. Not later than March 15 the commission members whose appointments have been certified under subdivision 5 shall appoint the five remaining members by unanimous agreement and certify the names to the secretary of state. When a certificate is not received within the required time, the secretary of state shall notify the chief justice that there is a vacancy. Within ten days after the notification the supreme court shall appoint the necessary number of members and certify their names to the secretary of state.

Subd. 7. Vacancies other than those resulting from a failure to appoint a member within the time provided by law shall be filled by the appointing authority that the original appointment within five days after the vacancy occurs. If the vacancy is not filled within five days the supreme court shall fill the vacancy.

Sec. 4. [2.024] [COMMENCEMENT OF DUTIES; MEETINGS.]

Subdivision 1. The secretary of state shall select a time and place of the first meeting of the commission, which shall not be later than April 1 of the year ending in one, and shall notify the commission members of the time and place selected. Before beginning to exercise their official duties the members of the commission shall take an oath in the form required for other state officers. The secretary of state shall preside at the meeting until the election of a permanent presiding officer. The commission shall elect a presiding officer and other officers as it shall find necessary.

Subd. 2. The commission, after notice and opportunity for public comment, may adopt and publish procedures necessary to carry out its duties. Chapter 14 does not apply to these procedures.

Subd. 3. The commission shall meet upon the call of either the presiding officer or a majority of the members of the commission. The proceedings of the commission are open to the public. The commission shall give public notice of its proceedings and shall keep minutes and audio recordings of those proceedings. All materials submitted to or developed by the commission, together with the minutes and audio record of its proceedings must be preserved and

made available for public inspection and copying. The commission may administer oaths to individuals appearing before it.

Subd. 4. A majority of the members of the commission constitute a quorum to conduct business. At any meeting of the commission at which a quorum is present, a majority of those present may compel the attendance of absent members. The attendance of absent members may be compelled in the manner that either the senate or house of representatives provide for their members.

Sec. 5. [2.025] [REMOVAL OF COMMISSION MEMBER.]

Any member of the commission may be removed from the commission by the supreme court upon petition filed by any eligible voter. The member may be removed after a hearing and upon a finding by the supreme court, by a preponderance of the evidence, that the member:

(a) Has been convicted, during his membership, of a gross misdemeanor or felony;

(b) Is unqualified to serve under the provisions of section 4, subdivision 3 or 4;

(c) Is physically or mentally incapable of serving; or

(d) Is unwilling to serve.

It is prima facie evidence that a member is unwilling to serve if the member fails to attend three successive meetings of the commission or fails to attend a total of six meetings of the commission. Upon removal, the position must be filled in the manner provided for filling vacancies. An individual who is removed from the commission under this section may not be reappointed to the commission.

Sec. 6. [2.026] [ADMINISTRATIVE SUPPORT.]

The presiding officer of the commission shall supervise the staff of the commission. The secretary of state, commissioner of administration, attorney general and revisor of statutes shall make available the personnel, facilities, technical services and other assistance requested by the commission. The commission may employ or contract for the services of other staff personnel.

Sec. 7. [2.027] [APPORTIONMENT PLAN.]

Subdivision 1. A redistricting plan adopted by the commission must include:

(a) A written description of each district drawn by the commission;

(b) A map of each district showing the name and location of each public road and each local government unit boundary in the district in a scale that allows precise location of the district boundaries;

(c) A map of the state showing all of the districts drawn by the commission;

(d) A statement of the deviation in population of each district from the average population of all district of that kind;

(e) A justification of any population deviation described in clause (d) for a congressional district and of any deviation which exceeds five percent for legislative districts;

(f) An explanation of the standards used by the commission to draw the districts; and

(g) Any other information which the commission deems relevant to the plan.

Subd. 2. A redistricting plan must be adopted not later than September 1 of the year in which the commission is established. When a redistricting plan adopted by the commission is remanded by the supreme court or by a federal court, the commission shall adopt an amended plan consistent with the finding of the court not later than 30 days after the original plan is remanded.

Subd. 3. The commission shall file the original or any amended plan with the secretary of state within five days of its adoption.

Subd. 4. Any commission members in the minority may prepare a minority report which shall be published with the plan adopted by the commission.

Sec. 8. [2.028] [COURT ORDER OR CHANGE IN CONGRESSIONAL REPRESENTATION.]

Subdivision 1. When a commission is not otherwise constituted and either the number of the state's representatives in congress is changed by federal law or a federal court order requires adoption or amendment of an original plan, a commission must be established and shall draw the congressional district boundaries or amend the plan.

Subd. 2. The supreme court shall set a timetable for establishing a redistricting commission and drawing the boundaries or amending the plan. The timetable shall be consistent with the time provided

for adoption of an plan under section 8, subdivision 2, as far as practicable.

Sec. 9. [2.029] [COMPENSATION.]

Members of the commission who are not paid a salary by the state shall be compensated at the rate provided by section 15.059, subdivision 3, for members of advisory councils and committees. Members shall be compensated for their actual and necessary expenses incurred in carrying out their duties on the commission in the same manner and amount as other state employees.

Sec. 10. [2.0291] [DISSOLUTION.]

The commission shall conclude its business and dissolve when:

(a) 30 days have passed from the adoption of an original, unamended redistricting plan without the filing of any petition for review by the supreme court and all legal actions concerning the plan which are known at that time have been decided; or

(b) The commission has adopted an amended redistricting plan after remand by a court and has completed its duties under section 12; or

(c) The commission has failed to adopt a plan or amended a plan within the time required by law.

The conclusion of business must include preparation of the official record of the commission and a financial statement disclosing all expenditures made by the commission. The official record must contain all information developed by the commission pursuant to carrying out its duties including records of public hearings, data collected, minutes and audio recordings of hearings and meetings, and other information of a similar nature. The official record must be submitted to the secretary of state who shall provide for its preservation.

Sec. 11. [2.0292] [PUBLICATION OF REPORT.]

Subdivision 1. Promptly after the adoption of a redistricting plan the commission shall:

(a) Prepare and transmit a copy of the plan to each county auditor;

(b) Prepare and transmit a summary of the plan to each newspaper of general circulation and each radio and television station in the state; and

(c) Prepare sufficient copies of the plan and the summary for inspection, copying and purchase by the public.

Subd. 2. The summary must contain:

(a) A map showing all the new districts in the state;

(b) Separate maps showing the districts in the principal area served by the newspaper, radio or television station;

(c) A statement of the population of each district;

(d) A statement of the percentage variation of each district from the average population of other districts of the same kind; and

(e) An indication of where a copy of the final report of the commission may be examined or purchased and its purchase price.

Sec. 12. [2.0293] [JUDICIAL REVIEW.]

Subdivision 1. An action to review an original or amended redistricting plan adopted by the redistricting commission must be commenced by petition to the supreme court within 30 days of the date the plan is filed with the secretary of state. The petition must set forth the facts and the law on the basis of which petitioner believes the plan does not comply with the provisions of the United States Constitution, the Minnesota Constitution or other provisions of law. A copy of the petition must be served upon the commission and upon the attorney general. The court shall hold hearings upon the petition and shall render its opinion on an original unamended plan of the commission within 60 days of the date that the petition to review the plan is filed. The court shall render its opinion on an amended plan of the commission within 30 days of the date the petition to review the amended plan is filed.

Subd. 2. If the court finds that an original, unamended plan of the redistricting commission is invalid because it does not comply with constitutional or legal requirements, the court shall specify the reasons for its findings and immediately remand the plan to the commission for amendment. If the court retains jurisdiction of an action to review a plan when the plan is remanded to the commission, the court shall render its opinion on any amended plan within 30 days after the date the amended plan is filed with the secretary of state.

Subd. 3. If a federal court finds that an original unamended plan of the redistricting commission is invalid because it does not comply with constitutional or legal requirements, and the court permits the commission to redraw the boundaries with consideration to the

court's findings and conclusions, the plan must be remanded to the commission for amendment.

Subd. 4. If the commission fails to adopt a redistricting plan or an amended plan within the time provided by law, or an amended plan adopted by the commission is found invalid upon review by the supreme court or by any federal court, the supreme court shall adopt its own plan in accordance with the requirements of Article XV, Section 2, of the Minnesota Constitution. The court shall hold at least one public hearing before adopting or amending a plan. A plan adopted or amended by the supreme court shall be in the form prescribed for a plan adopted by the commission. The court shall adopt the plan or amended plan and file it with the secretary of state not later than 60 days from the date on which the amended plan was declared invalid, or the date on which the plan or amended plan was required to be adopted by the commission. The secretary of state shall perform the duties provided in section 12 with respect to a plan adopted by the court.

Sec. 13. [2.0924] [DUTIES OF ATTORNEY GENERAL.]

The attorney general shall represent the commission and shall defend the redistricting plan adopted by the commission in any action to review the plan in the supreme court. He shall represent the state and shall defend the redistricting plan adopted pursuant to Article XV of the Minnesota Constitution and sections 3 to 14 in any action to review the plan in a federal court. In any action in federal court, the attorney general shall request the court to expedite the proceedings.

Sec. 14. [REPEALER.]

Minnesota Statutes, sections 2.03 to 2.203 and Minnesota Statutes, sections 2.731 to 2.811 are repealed on the effective date of an apportionment plan pursuant to article XV of the constitution.

Sec. 15. [EFFECTIVE DATE.]

Sections 3 to 14 and 16 are effective on January 1, 2001, if the constitutional amendment in section 1 is ratified as provided by the constitution."

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 75 nays as follows:

Those who voted in the affirmative were:

Abrams	Gruenes	Koppendrayer	Olsen, S.	Swenson
Anderson, R. H.	Gutknecht	Krinkie	Omman	Tompkins
Bettermann	Hartle	Leppik	Onnen	Uphus
Blatz	Haukoos	Limmer	Ozment	Valento
Boo	Heir	Lynch	Pauly	Vellenga
Davids	Henry	Macklin	Pellow	Waltman
Dempsey	Hufnagle	Marsh	Runbeck	Weaver
Erhardt	Hugoson	McPherson	Schreiber	Welker
Frederick	Jefferson	Morrison	Seaberg	
Frerichs	Johnson, V.	Munger	Smith	
Girard	Kelso	Newinski	Stanius	
Goodno	Knickerbocker	O'Connor	Sviggum	

Those who voted in the negative were:

Anderson, I.	Dorn	Kinkel	Olson, K.	Segal
Battaglia	Farrell	Krueger	Orenstein	Simoneau
Bauerly	Garcia	Lasley	Orfield	Skoglund
Beard	Greenfield	Lieder	Osthoff	Solberg
Begich	Hanson	Long	Ostrom	Sparby
Bertram	Hasskamp	Lourey	Pelowski	Steensma
Bodahl	Hausman	Mariani	Peterson	Thompson
Brown	Jacobs	McEachern	Pugh	Trimble
Carlson	Janezich	McGuire	Reding	Tunheim
Carruthers	Jaros	Milbert	Rest	Wagenius
Clark	Jennings	Murphy	Rice	Wejzman
Cooper	Johnson, A.	Nelson, K.	Rodosovich	Welle
Dauner	Johnson, R.	Nelson, S.	Rukavina	Wenzel
Dawkins	Kahn	Ogren	Sarna	Winter
Dille	Kalis	Olson, E.	Scheid	Spk. Vanasek

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

S. F. No. 1571, A bill for an act relating to the legislature; changing the boundaries of legislative districts; amending Minnesota Statutes 1990, section 2.031, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 2; repealing Minnesota Statutes 1990, sections 2.019; and 2.042 to 2.702.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 70 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Boo	Dauner	Hausman	Johnson, A.
Battaglia	Brown	Dawkins	Jacobs	Kahn
Bauerly	Carlson	Farrell	Janezich	Kalis
Beard	Carruthers	Garcia	Jaros	Kelso
Bertram	Clark	Greenfield	Jefferson	Kinkel
Bodahl	Cooper	Hasskamp	Jennings	Krueger

Lasley	Munger	Ostrom	Scheid	Tunheim
Lieder	Murphy	Pelowski	Segal	Vellenga
Long	Nelson, S.	Peterson	Simoneau	Wagenius
Lourey	Ogren	Pugh	Skoglund	Wejcmán
Mariani	Olson, E.	Reding	Solberg	Welle
McEachern	Olson, K.	Rest	Sparby	Wenzel
McGuire	Orenstein	Rice	Steensma	Winter
Milbert	Osthoff	Rodosovich	Trimble	Spk. Vanasek

Those who voted in the negative were:

Abrams	Girard	Knickerbocker	Olsen, S.	Stanius
Anderson, R.	Goodno	Koppendraye	Omann	Svigum
Anderson, R. H.	Gruenes	Krinkie	Onnen	Swenson
Begich	Gutknecht	Leppik	Orfield	Tompkins
Bettermann	Hanson	Limmer	Ozment	Uphus
Bishop	Hartle	Lynch	Pauly	Valento
Blatz	Haukoos	Macklin	Pellow	Waltman
Davids	Heir	Marsh	Rukavina	Weaver
Dempsey	Henry	McPherson	Runbeck	Welker
Dille	Hufnagle	Morrison	Sarna	
Erhardt	Hugoson	Nelson, K.	Schreiber	
Frederick	Johnson, R.	Newinski	Seaberg	
Frerichs	Johnson, V.	O'Connor	Smith	

The bill was passed and its title agreed to.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 683

A bill for an act relating to alcoholic beverages; prohibiting a retailer from having an interest in a manufacturer, brewer, or wholesaler; prohibiting a retailer from renting space to a manufacturer, brewer, or wholesaler; providing that brand registration is for a three-year period; specifying that club on-sale licenses are subject to approval of the commissioner of public safety; consolidating provisions of law relating to seasonal on-sale licenses; providing extended duration of seasonal licenses in certain counties; removing certain restrictions on location of off-sale and combination licenses issued by counties; clarifying law on issuance of off-sale licenses by counties; allowing gambling on licensed premises when governed by tribal ordinance or a tribal-state compact; clarifying language on certain prohibitions on issuance of multiple licenses and repealing obsolete provisions relating thereto; prohibiting off-site storage of intoxicating liquor; specifying applicability of license limits to certain fourth-class cities; changing the expiration date for consumption and display permits; raising the minimum age for keeping intoxicating liquor in bottle clubs; authorizing commissioner of public safety to impose civil penalties for conducting or permitting unlawful gambling on licensed premises, or for failure to remove impure products; specifying applicability to municipal liquor stores of prohibitions against permitting consumption of alcoholic beverages by underage persons; clarifying language on sales of intoxicat-

ing liquor on Christmas day; providing for Sunday liquor elections in counties; prohibiting sale of certain beverages of more than 50 percent alcohol content; authorizing commissioner of public safety to inspect alcoholic beverages for purity of contents and to order the removal of impure products; specifying that a split liquor referendum is not required for issuance of club licenses; repealing restrictions on wine sales at Minneapolis-St. Paul International Airport; authorizing issuance of an on-sale intoxicating malt liquor license in St. Louis county; authorizing the issuance of an on-sale intoxicating liquor license to a location in Duluth; amending Minnesota Statutes 1990, sections 340A.301, subdivision 7; 340A.311; 340A.402; 340A.404, subdivisions 1 and 6; 340A.405, subdivisions 2 and 6; 340A.408, subdivision 2; 340A.410, subdivision 5; 340A.412, subdivisions 2, 3, and by adding a subdivision; 340A.413, subdivision 1; 340A.414, subdivisions 4 and 8; 340A.415; 340A.503, subdivision 1; 340A.504, subdivisions 2 and 3; 340A.506; 340A.508, by adding a subdivision; 340A.601, subdivision 5; and 340A.604; proposing coding for new law in Minnesota Statutes, chapter 340A; repealing Minnesota Statutes 1990, section 340A.404, subdivision 6a.

May 15, 1991

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. 683, 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. 683 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, 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~~. The commissioner may not issue a license under this section to a manufacturer, brewer, or wholesaler if a retailer of intoxicating liquor has a direct or indirect interest in the manufacturer, brewer, or wholesaler. A manufacturer or wholesaler of intoxicating liquor may use or have property rented for retail intoxicating liquor sales only if the manufacturer or wholesaler has

owned the property continuously since November 1, 1933. A retailer of intoxicating liquor may not use or have property rented for the manufacture or wholesaling of intoxicating liquor.

(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) Except as provided in subdivision 7a, no brewer as defined in subdivision 7a may have any interest, in whole or in part, directly or indirectly, in the license, business, assets, or corporate stock of a licensed malt liquor wholesaler.

Sec. 2. Minnesota Statutes 1990, section 340A.311, is amended to read:

340A.311 [BRAND REGISTRATION.]

(a) A brand of intoxicating liquor or nonintoxicating malt liquor may not be manufactured ~~or~~, imported into, or sold in the state unless the brand label has been registered with and approved by the commissioner. A brand registration must be renewed every three years in order to remain in effect. The fee for an initial brand registration is \$20. The brand label of a brand of intoxicating liquor or nonintoxicating malt liquor which has not been sold in the state for two years or more must be reregistered before its sale can be resumed. The brand label of a brand of intoxicating liquor or nonintoxicating malt liquor which has not been sold in the state for at least three years for which the brand registration has expired, is conclusively deemed abandoned by the manufacturer or importer.

(b) In this section "brand" and "brand label" include trademarks and designs used in connection with labels.

(c) ~~A brand~~ The label of any brand of wine or intoxicating or nonintoxicating malt beverage may be registered only by the brand owner or authorized agent. No such brand may be imported into the state for sale without the consent of the brand owner or authorized agent. This section does not limit the provisions of section 340A.307.

Sec. 3. Minnesota Statutes 1990, section 340A.402, is amended to read:

340A.402 [PERSONS ELIGIBLE.]

No retail license may be issued to:

(1) a person not a citizen of the United States or a resident alien;

(2) a person under 21 years of age;

(3) a person who has had an intoxicating liquor or nonintoxicating liquor license revoked within five years of the license application, or to any person who at the time of the violation owns any interest, whether as a holder of more than five percent of the capital stock of a corporation licensee, as a partner or otherwise, in the premises or in the business conducted thereon, or to a corporation, partnership, association, enterprise, business, or firm in which any such person is in any manner interested; ~~or~~

(4) a person not of good moral character and repute; or

(5) a person who has a direct or indirect interest in a manufacturer, brewer, or wholesaler.

In addition, no new retail license may be issued to, and the governing body of a municipality may refuse to renew the license of, a person who, within five years of the license application, has been convicted of a willful violation of a federal or state law or local ordinance governing the manufacture, sale, distribution, or possession for sale or distribution of an alcoholic beverage.

Sec. 4. Minnesota Statutes 1990, section 340A.404, subdivision 1, is amended to read:

Subdivision 1. [CITIES.] A city may issue an on-sale intoxicating liquor license to the following establishments located within its jurisdiction:

(1) hotels;

(2) restaurants;

(3) bowling centers;

(4) clubs or congressionally chartered veterans organizations with the approval of the commissioner, provided that the organization has been in existence for at least three years and liquor sales will only be to members and bona fide guests;

(5) sports facilities located on land owned by the metropolitan sports commission; and

(6) exclusive liquor stores.

Sec. 5. Minnesota Statutes 1990, 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. 6. Minnesota Statutes 1990, section 340A.404, is amended by adding a subdivision to read:

Subd. 2a. [CITY OF MINNEAPOLIS; ARENA.] (a) Notwithstanding any other law, local ordinance, or charter provision, the city of Minneapolis may issue one or more on-sale or combination on-sale and off-sale intoxicating liquor licenses to the owner of the sports arena located at 600 First Avenue North in Minneapolis, or to an entity holding a concessions contract with the owner for use on the premises of that sports arena.

(b) The license authorizes sales on all days of the week to holders of tickets for events at the sports arena, and to the owners of the sports arena and the owners' guests.

(c) The licensee may not dispense intoxicating liquor to any person attending or participating in an amateur athletic event held on the premises unless such dispensing is authorized by the city. The city may not authorize the dispensing of intoxicating liquor at any event held under the auspices of the Minnesota state high school league.

(d) The license authorized by this subdivision may be issued for

space that is not compact and contiguous, provided that all such space is within the sports arena building and is included in the description of the licensed premises on the approved license application.

(e) Notwithstanding any law or rule to the contrary, a person licensed to make off-sales within the sports arena building may deliver alcoholic beverages to rooms and suites within the sports arena building (1) between midnight and 8:00 a.m. on Monday through Thursday, and (2) between midnight and 8:00 a.m. and between 10:00 p.m. and midnight on Friday through Sunday. No delivery authorized by this paragraph may be made to a room or suite within the building at any time when an event utilizing the room or suite is in progress.

(f) The holder of a license issued under this subdivision may dispense intoxicating liquor in miniature bottles if the intoxicating liquor is poured from the miniature bottles, mixed into another beverage, and dispensed on the premises by employees of the licensee.

Sec. 7. Minnesota Statutes 1990, section 340A.404, subdivision 6, is amended to read:

Subd. 6. [COUNTIES.] (a) A county board may issue an annual on-sale intoxicating liquor license within the area of the county that is unorganized or unincorporated to a bowling center, restaurant, or club with the approval of the commissioner.

(b) A county board may also with the approval of the commissioner issue up to ten seasonal on-sale licenses to restaurants and clubs for the sale of intoxicating liquor within the area of the county that is unorganized or unincorporated ~~to a restaurant or club with the approval of the commissioner.~~ Notwithstanding section 340A.412, subdivision 8, a seasonal license is valid for a period specified by the board, not to exceed ~~six~~ nine months. Not more than one license may be issued for any one premises during any consecutive 12-month period.

Sec. 8. Minnesota Statutes 1990, 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 one mile 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, Hasca, or Red Lake county within one mile of a statutory or home rule city with that had established a municipal liquor store before August 1, 1991, provided, that a county board may not issue a new license under this subdivision to a person for an establishment located less than three miles by the most direct route from the boundary of a city that (1) is located outside the metropolitan area as defined in section 473.121, subdivision 2, (2) has a population over 5,000 according to the most recent federal decennial census, and (3) had established a municipal liquor store before August 1, 1991.~~

(f) The town board may impose an additional license fee in an amount not to exceed 20 percent of the county license fee.

(g) 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. 9. Minnesota Statutes 1990, section 340A.405, subdivision 6, is amended to read:

Subd. 6. [AIRPORTS COMMISSION.] The metropolitan airports commission may with the approval of the commissioner issue

licenses for the off-sale of ~~Minnesota-produced~~ wine at the Minneapolis-St. Paul International Airport.

Sec. 10. Minnesota Statutes 1990, section 340A.4055, is amended to read:

340A.4055 [LICENSES IN INDIAN COUNTRY.]

Notwithstanding any law to the contrary, on-sale or off-sale licenses for the sale of intoxicating liquor or nonintoxicating malt liquor issued by the governing body of an Indian tribe in accordance with United States Code, title 18, section 1161, to an Indian tribal member or Indian tribal entity for an establishment located within Indian country as defined under United States Code, title 18, section 1154, is valid ~~with the approval of the commissioner. The commissioner shall approve the license if the establishment has complied with sections 340A.402; 340A.409; 340A.410, subdivisions 4, 5, and 7; 340A.412, subdivisions 1 to 7, 9, and 10; 340A.413; 340A.501; 340A.502; 340A.503; 340A.504; and 340A.506. When a license is issued under this section, the issuing authority shall notify the commissioner of public safety of the name and address of the licensee. Upon receipt of the notice, the commissioner shall issue a retailer's identification card to the licensee to permit the licensee to purchase distilled spirits, wine, or malt beverages. An establishment issued a license under this subdivision section is not required to obtain a license from any municipality, county, or town.~~

Sec. 11. Minnesota Statutes 1990, section 340A.408, subdivision 2, is amended to read:

Subd. 2. [INTOXICATING LIQUOR; ON-SALE.] (a) The license fee for a retail on-sale intoxicating liquor license is the fee set by the city or county issuing the license subject to the limitations imposed under this subdivision.

(b) The annual license fee for an on-sale intoxicating liquor license issued by a ~~city~~ municipality to a club must be no greater than:

- (1) \$300 for a club with under 200 members;
- (2) \$500 for a club with between 201 and 500 members;
- (3) \$650 for a club with between 501 and 1,000 members;
- (4) \$800 for a club with between 1,001 and 2,000 members;
- (5) \$1,000 for a club with between 2,001 and 4,000 members;
- (6) \$2,000 for a club with between 4,001 and 6,000 members; or

(7) \$3,000 for a club with over 6,000 members.

(c) The license fee for the issuance of a wine license may not exceed one-half of the license fee charged for an on-sale intoxicating liquor license, or \$2,000, whichever is less.

(d) The town board of a town in which an on-sale establishment has been licensed by a county may impose an additional license fee on each such establishment in an amount not to exceed 20 percent of the county license fee.

Sec. 12. Minnesota Statutes 1990, section 340A.410, subdivision 5, is amended to read:

Subd. 5. [GAMBLING PROHIBITED.] (a) No retail establishment licensed to sell alcoholic beverages may keep, possess, or operate, or permit the keeping, possession, or operation on the licensed premises of dice or any gambling device as defined in section 349.30, or permit gambling therein except as provided in this subdivision.

(b) Gambling equipment may be kept or operated and raffles conducted on licensed premises and adjoining rooms when the use of the gambling equipment is authorized under by (1) chapter 349, (2) a tribal ordinance in conformity with the Indian Gaming Regulatory Act, Public Law Number 100-497, or (3) a tribal-state compact authorized under section 3.9221.

(c) Lottery tickets may be purchased and sold within the licensed premises as authorized by the director of the lottery under chapter 349A.

Sec. 13. Minnesota Statutes 1990, section 340A.412, subdivision 2, is amended to read:

Subd. 2. [INVESTIGATION OF ON-SALE LICENSES.] (a) The city or county having jurisdiction over on-sale licenses to sell intoxicating liquor shall on initial application for an on-sale license or on application for a transfer of an existing license conduct a preliminary background and financial investigation of the applicant. The application must be in the form prescribed by the ~~bureau of criminal apprehension~~ commissioner and with any additional information as the governing body of the city or county having jurisdiction over the license requires. If the governing body of the city or county having jurisdiction determines or if the ~~bureau of criminal apprehension~~ commissioner on its the commissioner's own initiative determines that a comprehensive background and investigation of the applicant is necessary, the governing body may conduct the investigation itself or contract with the ~~bureau of criminal apprehension~~ commissioner for the investigation. In addition, an investigation may be required prior to renewal of an existing

on-sale license when the governing body of the city or county deems it in the public interest. An investigation fee not to exceed \$500 shall be charged an applicant by the city or county if the investigation is conducted within the state, or the actual cost not to exceed \$10,000 if the investigation is required outside the state.

(b) No license may be issued, transferred, or renewed if the results of the investigation show, to the satisfaction of the governing body, that issuance, transfer, or renewal would not be in the public interest.

Sec. 14. Minnesota Statutes 1990, section 340A.412, subdivision 3, is amended to read:

Subd. 3. [LIMITATIONS ON ISSUANCE OF LICENSES TO ONE PERSON OR PLACE.] ~~(a) No more than one off sale intoxicating liquor license may be directly or indirectly issued to any one person or for any one place in each city or county.~~

~~(b) For the purpose of this subdivision, the term "interest":~~

~~(1) includes any pecuniary interest in the ownership, operation, management, or profits of a retail liquor establishment, and a person who receives money from time to time directly or indirectly from a licensee, in the absence of consideration and excluding gifts or donations, has a pecuniary interest in the retail license; and~~

~~(2) does not include loans; rental agreements; open accounts or other obligations held with or without security arising out of the ordinary and regular course of business of selling or leasing merchandise, fixtures, supplies to the establishment; an interest in a corporation owning or operating a hotel but having at least 150 or more rental units holding a liquor license in conjunction therewith; or ten percent or less interest in any other corporation holding a license.~~

~~(c) In determining whether an "interest" exists, the transaction must have been bona fide and the reasonable value of the goods and things received as consideration for a payment by the licensee and all other facts reasonably tending to prove or disprove the existence of a purposeful scheme or arrangement to evade the restrictions of this subdivision must be considered. A municipality may not issue more than one off-sale intoxicating liquor license to any one person or for any one place.~~

Sec. 15. Minnesota Statutes 1990, section 340A.412, is amended by adding a subdivision to read:

Subd. 12. [OFF-SITE STORAGE PROHIBITION.] A holder of a retail intoxicating liquor license or a municipal liquor store may not

store any intoxicating liquor at any location other than the licensed premises except with the written permission of the commissioner.

Sec. 16. Minnesota Statutes 1990, section 340A.413, subdivision 1, is amended to read:

Subdivision 1. [ON-SALE LICENSES.] No on-sale intoxicating liquor license may be issued in any city except as provided in this section in excess of the following limits:

(1) in cities of the first class, one license for every 1,500 population, up to 200 licenses;

(2) in cities of the second class, not more than 18 licenses plus one for every 2,500 population over 45,000;

(3) in cities of the third class, not more than 12 licenses;

(4) in cities of the fourth class, including cities whose acts of incorporation were repealed by Laws 1973, chapter 123, article V, section 5, not more than seven licenses;

(5) in statutory cities of 5,000 to 10,000 population, not more than six licenses;

(6) in statutory cities of 2,500 to 5,000 population, not more than five licenses;

(7) in statutory cities of 500 to 2,500 population, not more than four licenses; and

(8) in statutory cities under 500 population, not more than three licenses.

Sec. 17. Minnesota Statutes 1990, section 340A.414, subdivision 4, is amended to read:

Subd. 4. [PERMIT EXPIRATION.] All permits issued under this section expire on ~~June 30~~ March 31 of each year.

Sec. 18. Minnesota Statutes 1990, section 340A.414, subdivision 8, is amended to read:

Subd. 8. [LOCKERS.] A club issued a permit under this section may allow members to bring and keep a personal supply of intoxicating liquor in lockers on the club's premises. All bottles kept on the premises must have attached to it a label signed by the member. No person under ~~19~~ 21 years of age may keep a supply of intoxicating liquor on club premises.

Sec. 19. Minnesota Statutes 1990, section 340A.415, is amended to read:

340A.415 [LICENSE REVOCATION OR SUSPENSION.]

The authority issuing or approving any retail license or permit under this chapter shall either suspend for up to 60 days or revoke the license or permit or impose a civil fine not to exceed \$2,000 for each violation on a finding that the license or permit holder has failed to comply with an applicable statute, rule, or ordinance relating to alcoholic beverages. No suspension or revocation takes effect until the license or permit holder has been afforded an opportunity for a hearing under sections 14.57 to 14.69 of the administrative procedure act. This section does not require a political subdivision to conduct the hearing before an employee of the office of administrative hearing. The issuing authority or the commissioner may impose the penalties provided in this section on a retail licensee who knowingly (1) sells alcoholic beverages to another retail licensee for the purpose of resale, ~~or on a retail licensee who~~ (2) purchases alcoholic beverages from another retail licensee for the purpose of resale, (3) conducts or permits the conduct of gambling on the licensed premises in violation of the law, or (4) fails to remove or dispose of alcoholic beverages when ordered by the commissioner to do so under section 24.

Sec. 20. Minnesota Statutes 1990, 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, municipal liquor store, 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 within the municipal liquor store; or

(2) person under the age of 21 years to consume any alcoholic beverages. 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. 21. Minnesota Statutes 1990, section 340A.504, subdivision 2, is amended to read:

Subd. 2. [INTOXICATING LIQUOR; ON-SALE.] No sale of intoxicating liquor for consumption on the licensed premises may be made:

(1) between 1:00 a.m. and 8:00 a.m. on the days of Monday through Saturday;

(2) after 1:00 a.m. on Sundays, except as provided by subdivision 3;

(3) between 8:00 p.m. on December 24 and 8:00 a.m. on December 25, except as provided that when December 25 occurs on a Sunday on-sales on that day are governed by subdivision 3.

Sec. 22. Minnesota Statutes 1990, section 340A.504, subdivision 3, is amended to read:

Subd. 3. [INTOXICATING LIQUOR; SUNDAY SALES; ON-SALE.] (a) A restaurant, club, bowling center, or hotel with a seating capacity for at least 30 persons and which holds an on-sale intoxicating liquor license may sell intoxicating liquor for consumption on the premises in conjunction with the sale of food between the hours of 12:00 noon on Sundays and 1:00 a.m. on Mondays.

(b) The governing body of a municipality may after one public hearing by ordinance permit a restaurant, hotel, bowling center, or club to sell intoxicating liquor for consumption on the premises in conjunction with the sale of food between the hours of 10:00 a.m. on Sundays and 1:00 a.m. on Mondays, provided that the licensee is in conformance with the Minnesota clean air act.

(c) An establishment serving intoxicating liquor on Sundays must obtain a Sunday license. The license must be issued by the governing body of the municipality for a period of one year, and the fee for the license may not exceed \$200.

(d) A ~~municipality~~ city may issue a Sunday intoxicating liquor license only if authorized to do so by the voters of the ~~municipality~~ city voting on the question at a general or special election. A county may issue a Sunday intoxicating liquor license in a town only if authorized to do so by the voters of the town as provided in paragraph (e). A county may issue a Sunday intoxicating liquor license in unorganized territory only if authorized to do so by the voters of the election precinct that contains the licensed premises, voting on the question at a general or special election.

(e) An election conducted in a town on the question of the issuance by the county of Sunday sales licenses to establishments located in the town must be held on the day of the annual election of town officers.

(f) Voter approval is not required for licenses issued by the metropolitan airports commission or common carrier licenses issued by the commissioner. Common carriers serving intoxicating liquor

on Sunday must obtain a Sunday license from the commissioner at an annual fee of \$50, plus \$5 for each duplicate.

Sec. 23. Minnesota Statutes 1990, section 340A.506, is amended to read:

340A.506 [SALES OF ETHYL ALCOHOL AND NEUTRAL SPIRITS PROHIBITED.]

Subdivision 1. [ETHYL ALCOHOL; NEUTRAL SPIRITS.] No person may sell at retail for beverage purposes ethyl alcohol or neutral spirits, or substitutes thereof, possessing the taste, aroma, and characteristics generally attributed to ethyl alcohol or neutral spirits. Nothing in this section prohibits the manufacture or sale of other products obtained by use of ethyl alcohol or neutral spirits as defined in United States Treasury Department, Bureau of Internal Revenue, Regulations 125, Article II, Standards of Identity for Distilled Spirits.

Subd. 2. [MAXIMUM ALCOHOL CONTENT.] No person may sell for beverage purposes any spirits, distilled from grain or corn, with an alcohol content of 80 percent or more, which equals 160 proof or more, unless such spirits have been aged in wood casks for not less than two years.

Sec. 24. Minnesota Statutes 1990, section 340A.508, is amended by adding a subdivision to read:

Subd. 3. [PURITY OF CONTENTS.] The commissioner may examine the contents of any container of alcoholic beverages on the premises of any licensee under this chapter or any municipal liquor store, for the purpose of determining the purity of the alcoholic beverages. The commissioner may remove any container, or remove all or part of the contents thereof, for the purpose of conducting tests of purity. The commissioner may order the removal from inventory of any container the contents of which fail to meet standards of purity established by rules adopted under this subdivision, and may order the disposal of the contents. The commissioner may adopt rules that (1) provide standards of purity for alcoholic beverages and procedures for testing for purity, and (2) govern the removal from inventory and disposal of alcoholic beverages that do not meet the commissioner's standards of purity.

Sec. 25. Minnesota Statutes 1990, section 340A.601, subdivision 5, is amended to read:

Subd. 5. [ISSUANCE OF LICENSES TO PRIVATE PERSONS.] A city owning and operating a municipal liquor store may issue on-sale liquor licenses to hotels, clubs, and restaurants. A city issuing on-sale licenses under this subdivision may continue to

operate the municipal liquor store or may resume operation of a municipal liquor store previously discontinued.

The number of on-sale licenses issued under this section by a city is governed by section 340A.413.

A city may not issue licenses under this section, other than a license issued to a club under section 340A.404, subdivision 1, clause (4), until authorized by the voters of the city voting on the question at a special election called for that purpose.

Sec. 26. Minnesota Statutes 1990, section 340A.604, is amended to read:

340A.604 [SUSPENSION OF OPERATION.]

A court shall notify the commissioner in writing within ten days whenever a municipal officer or employee has been convicted of any of the following offenses committed in a municipal liquor store:

(1) selling alcoholic beverages to persons or at times prohibited by law;

(2) selling alcoholic beverages for resale;

(3) selling alcoholic beverages on which state taxes have not been paid; or

(4) violating the provisions of section 340A.410, subdivision 6 5, relating to gambling and gambling devices.

On receiving the notice of conviction the commissioner may suspend for up to 30 days the operation of the municipal liquor store where the offense occurred. The commissioner must notify in writing the municipality operating the store of the effective dates of the suspension. An appeal of the suspension is a contested case under sections 14.57 to 14.69 of the administrative procedure act.

Sec. 27. [ST. LOUIS COUNTY LICENSE.]

Notwithstanding any law to the contrary, the St. Louis county board may issue a license for the on-sale of intoxicating malt liquor to an establishment located in township 61, range 18, section 29, parcel no. 2150010050251. The county board shall set the fee for the license. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license authorized by this section.

Sec. 28. [CITY OF ALEXANDRIA; SUNDAY LIQUOR LICENSE.]

Notwithstanding Minnesota Statutes, section 340A.504, subdivision 3, paragraph (d), the city of Alexandria may issue licenses authorizing on-sales of intoxicating liquor on Sunday to restaurants and bowling centers 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.

Sec. 29. [ON-SALE LICENSES; CITY OF VIRGINIA.]

Notwithstanding Minnesota Statutes, section 340A.413, subdivision 1, the city of Virginia may issue not more than 21 on-sale intoxicating liquor licenses. The licenses authorized by this section include any licenses which the city may issue by special law or by a referendum conducted under Minnesota Statutes, section 340A.413, subdivision 3, before the effective date of this section. All other provisions of Minnesota Statutes, chapter 340A, including section 340A.413, subdivision 4, not inconsistent with this section apply to licenses issued under this section.

Sec. 30. [ON-SALE LICENSES; CITY OF HIBBING.]

Notwithstanding Minnesota Statutes, section 340A.413, subdivision 1, the city of Hibbing may issue not more than 20 on-sale intoxicating liquor licenses. All other provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section apply to licenses issued under this section.

Sec. 31. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall change in the next and subsequent editions of Minnesota Statutes and Minnesota Rules the term "nonintoxicating malt liquor" wherever it occurs to "3.2 percent malt liquor."

Sec. 32. [TRANSITION.]

Notwithstanding Minnesota Statutes, section 340A.414, subdivision 4, all consumption and display permits issued by the commissioner of public safety that expire June 30, 1991, are extended and are valid until March 31, 1992.

Sec. 33. [REPEALER.]

Subdivision 1. [SEASONAL LICENSE AUTHORITY.] Minnesota Statutes 1990, section 340A.404, subdivision 6a, is repealed.

Subd. 2. [VIRGINIA SPECIAL LAW.] Laws 1974, chapter 501, section 1, is repealed.

Subd. 3. [HIBBING SPECIAL LAW.] Laws 1989, chapter 72, is repealed.

Sec. 34. [EFFECTIVE DATE.]

Section 8 applies to new licenses issued on or after August 1, 1991. Sections 17 and 30 are effective June 1, 1991. Section 27 is effective on approval of the St. Louis county board and compliance with Minnesota Statutes, section 645.021. Section 28 is effective on approval by the Alexandria city council and compliance with Minnesota Statutes, section 645.021. Sections 29 and 33, subdivision 2, are effective on approval by the Virginia city council and compliance with Minnesota Statutes, section 645.021. Sections 30 and 33, subdivision 3, are effective on approval by the Hibbing city council and compliance with Minnesota Statutes, section 645.021."

Delete the title and insert:

"A bill for an act relating to alcoholic beverages; prohibiting a retailer from having an interest in a manufacturer, brewer, or wholesaler; prohibiting a retailer from renting space to a manufacturer, brewer, or wholesaler; providing that brand registration is for a three-year period; specifying that club on-sale licenses are subject to approval of the commissioner of public safety; consolidating provisions of law relating to seasonal on-sale licenses; providing for sale of intoxicating liquor at a sports arena in Minneapolis; providing extended duration of seasonal licenses in certain counties; removing certain restrictions on location of off-sale and combination licenses issued by counties; providing for the issuance of retailer identification cards to certain licensees; clarifying law on issuance of off-sale licenses by counties; allowing gambling on licensed premises when governed by tribal ordinance or a tribal-state compact; clarifying language on certain prohibitions on issuance of multiple licenses and repealing obsolete provisions relating thereto; prohibiting off-site storage of intoxicating liquor; specifying applicability of license limits to certain fourth-class cities; changing the expiration date for consumption and display permits; raising the minimum age for keeping intoxicating liquor in bottle clubs; authorizing commissioner of public safety to impose civil penalties for conducting or permitting unlawful gambling on licensed premises, or for failure to remove impure products; specifying applicability to municipal liquor stores of prohibitions against permitting consumption of alcoholic beverages by underage persons; clarifying language on sales of intoxicating liquor on Christmas day; providing for Sunday liquor elections in counties; prohibiting sale of certain beverages; authorizing commissioner of public safety to inspect alcoholic beverages for purity of contents and to order the removal of impure products; specifying that a split liquor referendum is not required for issuance of club licenses; repealing restrictions on wine sales at Minneapolis-St. Paul International Airport; authorizing issuance of

an on-sale intoxicating malt liquor license in St. Louis county; authorizing the issuance of on-sale Sunday liquor licenses by the city of Alexandria; specifying the number of on-sale licenses which may be issued in the cities of Virginia and Hibbing; changing the name of nonintoxicating malt liquor; amending Minnesota Statutes 1990, sections 340A.301, subdivision 7; 340A.311; 340A.402; 340A.404, subdivisions 1, 2, 6, and by adding a subdivision; 340A.405, subdivisions 2 and 6; 340A.4055; 340A.408, subdivision 2; 340A.410, subdivision 5; 340A.412, subdivisions 2, 3, and by adding a subdivision; 340A.413, subdivision 1; 340A.414, subdivisions 4 and 8; 340A.415; 340A.503, subdivision 1; 340A.504, subdivisions 2 and 3; 340A.506; 340A.508, by adding a subdivision; 340A.601, subdivision 5; and 340A.604; repealing Minnesota Statutes 1990, section 340A.404, subdivision 6a; Laws 1974, chapter 501, section 1; and Laws 1989, chapter 72.”

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

House Conferees: JOEL JACOBS, JERRY JANEZICH AND BEN BOO.

Senate Conferees: SAM G. SOLON, JAMES P. METZEN AND WILLIAM V. BELANGER, JR.

Jacobs moved that the report of the Conference Committee on H. F. No. 683 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 683, A bill for an act relating to alcoholic beverages; prohibiting a retailer from having an interest in a manufacturer, brewer, or wholesaler; prohibiting a retailer from renting space to a manufacturer, brewer, or wholesaler; providing that brand registration is for a three-year period; specifying that club on-sale licenses are subject to approval of the commissioner of public safety; consolidating provisions of law relating to seasonal on-sale licenses; providing extended duration of seasonal licenses in certain counties; removing certain restrictions on location of off-sale and combination licenses issued by counties; clarifying law on issuance of off-sale licenses by counties; allowing gambling on licensed premises when governed by tribal ordinance or a tribal-state compact; clarifying language on certain prohibitions on issuance of multiple licenses and repealing obsolete provisions relating thereto; prohibiting off-site storage of intoxicating liquor; specifying applicability of license limits to certain fourth-class cities; changing the expiration date for consumption and display permits; raising the minimum age for keeping intoxicating liquor in bottle clubs; authorizing commissioner of public safety to impose civil penalties for conducting or permitting unlawful gambling on licensed premises, or for failure to remove impure products; specifying applicability to municipal liquor stores of prohibitions against permitting consumption of alcoholic

beverages by underage persons; clarifying language on sales of intoxicating liquor on Christmas day; providing for Sunday liquor elections in counties; prohibiting sale of certain beverages of more than 50 percent alcohol content; authorizing commissioner of public safety to inspect alcoholic beverages for purity of contents and to order the removal of impure products; specifying that a split liquor referendum is not required for issuance of club licenses; repealing restrictions on wine sales at Minneapolis-St. Paul International Airport; authorizing issuance of an on-sale intoxicating malt liquor license in St. Louis county; authorizing the issuance of an on-sale intoxicating liquor license to a location in Duluth; amending Minnesota Statutes 1990, sections 340A.301, subdivision 7; 340A.311; 340A.402; 340A.404, subdivisions 1 and 6; 340A.405, subdivisions 2 and 6; 340A.408, subdivision 2; 340A.410, subdivision 5; 340A.412, subdivisions 2, 3, and by adding a subdivision; 340A.413, subdivision 1; 340A.414, subdivisions 4 and 8; 340A.415; 340A.503, subdivision 1; 340A.504, subdivisions 2 and 3; 340A.506; 340A.508, by adding a subdivision; 340A.601, subdivision 5; and 340A.604; proposing coding for new law in Minnesota Statutes, chapter 340A; repealing Minnesota Statutes 1990, section 340A.404, subdivision 6a.

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 108 yeas and 24 nays as follows:

Those who voted in the affirmative were:

Abrams	Farrell	Knickerbocker	Olsen, S.	Segal
Anderson, I.	Frederick	Krueger	Olson, E.	Simoneau
Anderson, R.	Garcia	Lasley	Olson, K.	Smith
Anderson, R. H.	Girard	Leppik	Omann	Solberg
Battaglia	Greenfield	Lieder	Orenstein	Sparby
Bauerly	Hanson	Limmer	Orfield	Stanius
Beard	Hartle	Long	Osthoff	Steensma
Begich	Hasskamp	Lourey	Ostrom	Swenson
Bertram	Hausman	Lynch	Pauly	Thompson
Bishop	Hufnagle	Macklin	Pellow	Trimble
Bodahl	Jacobs	Mariani	Pelowski	Tunheim
Boo	Janezich	Marsh	Peterson	Uphus
Brown	Jaros	McEachern	Pugh	Valento
Carlson	Jefferson	McGuire	Reding	Vellenga
Carruthers	Jennings	Milbert	Rest	Weaver
Clark	Johnson, A.	Morrison	Rodosovich	Wejcmán
Cooper	Johnson, R.	Munger	Rukavina	Welle
Dauner	Johnson, V.	Murphy	Runbeck	Wenzel
Dawkins	Kahn	Nelson, K.	Sarna	Winter
Dempsey	Kalis	Nelson, S.	Scheid	Spk. Vanasek
Dorn	Kelso	O'Connor	Schreiber	
Erhardt	Kinkel	Ogren	Seaberg	

Those who voted in the negative were:

Bettermann	Dauids	Frerichs	Gruenes	Haukoos
Blatz	Dille	Goodno	Gutknecht	Heir

Henry	Krinkie	Onnen	Sviggum	Waltman
Hugoson	McPherson	Rice	Tompkins	Welker
Koppendrayser	Newinski	Skoglund	Wagenius	

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

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following 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. 21, A bill for an act relating to waste management; requiring air emission permits for new or expanded infectious waste incinerators; requiring environmental impact statements for the incinerators until new rules are adopted; proposing coding for new law in Minnesota Statutes, chapter 116.

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. 53, A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for regulation of certain activities and practices; providing for certain rights-of-way; requiring studies and reports; fixing and limiting accounts and fees; amending Minnesota Statutes 1990, sections 10A.02, by adding a subdivision; 12.14; 15A.081, subdivision 1; 16A.662, subdivisions 2, 4, and 5; 41A.09, subdivision 3; 60A.14, subdivision 1; 60A.17, subdivision 1d; 72B.04, subdivision 7; 80C.04, subdivision 1; 80C.07; 80C.08, subdivision 1; 82.22, subdivisions 1, 5, 10, and 11; 115C.09, by adding a subdivision; 129D.04, by adding subdivisions; 129D.05; 138.91; 138.94; 162.02,

subdivision 12; 168C.04; 171.06, subdivision 2a; 171.26; 182.651, by adding subdivisions; 182.661, subdivisions 1, 2, 2a, 3, 3a, and by adding subdivisions; 182.664, subdivisions 3 and 5; 182.666, subdivisions 1, 2, 3, 4, 5, and 5a; 182.669, subdivision 1; 184.28, subdivision 2; 184.29; 184A.09; 239.78; 240.02, subdivisions 2 and 3; 240.06, subdivision 8; 240.155; 240.28; 297B.09, subdivision 1; 299F.57, subdivision 1a; 299F.641, subdivision 2; 299K.07; 299K.09, subdivision 2; 336.9-413; 349.12, subdivision 10; 349.151, subdivision 2; 349A.01, subdivisions 5 and 9; 349A.02, subdivision 1; 349A.03, subdivision 1; 349A.10, subdivision 5; and 626.861, subdivisions 1 and 4; Laws 1989, chapter 269, sections 11, subdivision 7; and 31; repealing Minnesota Statutes 1990, sections 182.664, subdivision 2; 240.01, subdivision 15; 349.12, subdivision 12; 349A.01, subdivisions 3, 4, and 6; and 349B.01; and Laws 1989, chapter 322, section 7.

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. 326, A bill for an act relating to elections; providing for time off to vote in primaries; amending Minnesota Statutes 1990, section 204C.04.

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. 922, A bill for an act relating to crimes; imposing a duty to investigate and render aid when a person is injured in a shooting accident; imposing penalties; providing immunity from civil liability under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 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 has concurred in and adopted the report of the Conference Committee on:

H. F. No. 1549, A resolution memorializing the President and the Congress of the United States to take action to alleviate the crisis in the Midwest dairy industry.

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. 2, A bill for an act relating to health care; creating a bureau of health care access; establishing the Minnesotans' health care plan; establishing an office of rural health; requiring rural health initiatives; requiring data and research initiatives; restricting underwriting and premium rating practices; providing a health insurance plan for small employees; requiring initiatives related to health professional education; appropriating money; amending Minnesota Statutes 1990, sections 16A.124, subdivision 4; 43A.17, subdivision 9; 43A.23, by adding a subdivision; 136A.1355, subdivisions 2 and 3; 144.147, subdivisions 1 and 4; 144.581, subdivision 1; 144.698, subdivision 1; 144.8093; 145.61, subdivision 5; 145.64; 176.011, subdivision 9; 256.969, subdivision 6a; 290.01, subdivision 19b; and 447.31, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapters 16B; 62A; 62J; 144; and 144A; proposing coding for new law as Minnesota Statutes, chapter 62K.

PATRICK E. FLAHAVEN, Secretary of the Senate

Ogren moved that the House refuse to concur in the Senate amendments to H. F. No. 2, 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. 783, A bill for an act relating to health; modifying requirements for drilling, sealing, and construction of wells, borings, and elevator shafts; amending Minnesota Statutes 1990, sections 103I.005, subdivisions 2, 22, and by adding a subdivision; 103I.101, subdivisions 2, 4, 5, and 6; 103I.105; 103I.111, subdivisions 2b, 3, and by adding a subdivision; 103I.205, subdivisions 1, 3, 4, 7, 8, and 9; 103I.208, subdivision 2; 103I.231; 103I.235; 103I.301, subdivision 1, and by adding a subdivision; 103I.311, subdivision 3; 103I.331, subdivision 2; 103I.525, subdivisions 1, 4, 8, and 9; 103I.531, subdivisions 5, 8, and 9; 103I.535, subdivisions 8 and 9; 103I.541, subdivisions 4 and 5; 103I.545, subdivision 2; 103I.621, subdivision 3; 103I.701, subdivisions 1 and 4; 103I.705, subdivisions 2, 3, 4, and 5; and 103I.711, subdivision 1; repealing Minnesota Statutes 1990, section 103I.005, subdivision 18.

PATRICK E. FLAHAVEN, Secretary of the Senate

Bishop moved that the House refuse to concur in the Senate amendments to H. F. No. 783, 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. 833, A bill for an act relating to economic development; regulating the use of tax-exempt revenue bonds; amending Minnesota Statutes 1990, sections 474A.02, subdivisions 1, 2b, 7, 8, 19, and by adding subdivisions; 474A.03; 474A.04, subdivision 1a; 474A.047, subdivisions 1 and 3; 474A.061, subdivisions 1, 2a, 2b, 2c, 3, and 4; 474A.091, subdivisions 1, 2, 3 and 5; 474A.131, by adding a subdivision; 474A.15; 474A.16; and 474A.17; proposing coding for new law in Minnesota Statutes, chapters 462A and 462C; repealing Minnesota Statutes 1990, sections 474A.048; and 474A.081, subdivisions 1, 2, and 4.

PATRICK E. FLAHAVEN, Secretary of the Senate

Long moved that the House refuse to concur in the Senate amendments to H. F. No. 833, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2:

Ogren, Skoglund, Welle, Greenfield and Anderson, R.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 783:

Bishop, Murphy and Munger.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 833:

Rest, Schreiber and Scheid.

SPECIAL ORDERS

H. F. No. 1655 was reported to the House.

Simoneau, Bishop and Boo moved to amend H. F. No. 1655, the fourth engrossment, as follows:

Page 32, line 34, after the period, insert "Before the metropolitan airports commission or the commissioner of finance issues bonds authorized by this act, the commission or commissioner shall report the amount of bonds to be issued, a detailed description of the projects and facilities to be financed by the bonds, and the terms of the lease, loan, and revenue agreements to the legislative commission on planning and fiscal policy for its advisory recommendation. The recommendation is positive if not received by the commission or commissioner within ten days."

The motion prevailed and the amendment was adopted.

Simoneau moved to amend H. F. No. 1655, the fourth engrossment, as amended, as follows:

Page 2, line 19, after “\$350,000,000” insert “, except for refunding bonds”

Page 4, line 33, after “lessee” insert “or lessees”

Page 4, line 36, after the second “and” insert “, for purposes of a project described in subdivision 5,”

Page 5, line 5, after “and” insert “, for purposes of the project described in subdivision 5, the”

Page 5, line 17, delete “and” and insert a comma

Page 5, line 19, after “6” insert “, and any bonds issued to refund these bonds”

Page 5, line 24, delete everything after “(i)”

Page 5, line 25, delete everything after “\$125,000,000”

Page 5, line 26, delete everything before “for”

Page 5, line 27, delete “the lesser of” and delete “or”

Page 5, delete line 28

Page 5, line 29, delete “debt service fund”

Page 5, line 34, after the period, insert “In no event may the security provided by this paragraph extend in whole or part to any series of bonds other than the initial series of bonds so secured and any series of bonds issued to refund these bonds.”

Page 6, after line 34, insert:

“(e) By resolution of the governing bodies of St. Louis county, the city of Hibbing or the city of Chisholm, either the city of Hibbing, the city of Chisholm or St. Louis county, or any or all of them, may pledge as a general obligation, its full faith, credit, and taxing power to pay or secure payment of principal and interest due on any series of bonds for facilities described in section 2, subdivision 6. The general obligation and pledge are not subject to and shall not be taken into account for purposes of any debt limitation. A levy of taxes for the general obligation is not subject to and shall not be taken into account for purposes of any levy limitations. The general obligation and the bonds secured by the general obligation may be issued without an election. Except for sections 475.61 and 475.64, chapter 475 does not apply to the general obligation or to the bonds secured by the general obligation.”

Page 7, line 7, after the period, insert “The bond proceeds are appropriated to the commissioner for the purposes specified in this subdivision.”

Page 7, line 35, after the period, insert “The bond proceeds are appropriated to the commissioner for the purposes specified in this subdivision.”

Page 8, line 22, delete everything after “the” and insert “airline corporation primarily benefited by the project”

Page 8, line 23, delete “corporation”

Page 10, line 28, delete “13” and insert “4”

Page 11, line 21, delete “secured” and insert “payable”

Page 11, line 23, after “manner” insert “and information in a bond register is subject to the limitations”

Page 12, line 26, after “bonds” insert “and interest payable thereon”

Page 12, line 27, after “are” insert “irrevocably”

Page 13, line 28, after the second “bonds” insert “and interest thereon and of any sums due to the trustee under the indenture”

Page 14, lines 2 and 3, delete “notes or”

Page 14, after line 28, insert:

“(i) It may incur obligations under the indenture or under any paying agency, bond registrar agreement or escrow agreement to pay the compensation and expenses of the trustee, paying agent, bond registrar or escrow agent for the bonds and to pay any sums required to be refunded to the United States to comply with applicable tax laws; and a sum sufficient to satisfy these obligations is annually appropriated to the commissioner from the general fund to the extent other revenues available for that purpose are insufficient.”

Page 16, line 6, after the period, insert “Money in the account is appropriated to the commissioner.”

Page 16, line 23, after “required” insert “to be deposited”

Page 18, line 5, delete “or” and insert “the payment of trustee or paying agency or registrar fees and expenses, or the payment of”

Page 18, line 19, after “provides” insert “and subject to the limitations in section 2, subdivision 4, paragraph (a), clause (1)”

Page 18, line 30, after “and” insert “interest due on the deficiency bonds and to establish a debt service reserve for the deficiency bonds.”

Page 22, line 29, delete “15” and insert “19”

Page 22, line 32, after “safe” insert “and efficient”

Page 23, line 5, after “state” insert “guaranteed”

Page 23, after line 23, insert:

“Section 1. Minnesota Statutes 1990, section 473.667, subdivision 8a, is amended to read:

Subd. 8a. [REFUNDING BONDS.] The commission may issue general obligation revenue refunding bonds to refund bonds issued pursuant to ~~subdivision 2~~ this section in accordance with section 475.67, subdivisions 1 to 11.”

Page 24, line 8, after “bonds” insert “under this section”

Page 24, line 17, after “commission” insert “which may include discharging a leasehold interest on the properties”

Page 24, line 28, after the period, insert “All such properties are airport facilities for purposes of complying with the provisions of subdivisions 3 and 5.”

Page 28, line 25, after “resolution” insert “, trust indenture,”

Page 30, line 24, after “bonds” insert “under this section”

Page 31, line 12, after “(2)” insert “The”

Renumber the sections

Correct internal cross references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

The Speaker called Johnson, A., to the Chair.

Simoneau, Schreiber and Ogren moved to amend H. F. No. 1655, the fourth engrossment, as amended, as follows:

Page 6, line 29, after the second "city" insert ", as provided in section 23,"

Page 20, after line 3, insert:

"Sec. 16. Minnesota Statutes 1990, section 272.01, subdivision 2, is amended to read:

Subd. 2. (a) When any real or personal property which is exempt from ad valorem taxes, and taxes in lieu thereof, is leased, loaned, or otherwise made available and used by a private individual, association, or corporation in connection with a business conducted for profit, there shall be imposed a tax, for the privilege of so using or possessing such real or personal property, in the same amount and to the same extent as though the lessee or user was the owner of such property.

(b) The tax imposed by this subdivision shall not apply to:

(1) property leased or used as a concession in or relative to the use in whole or part of a public park, market, fairgrounds, port authority, economic development authority established under chapter 458C, municipal auditorium, municipal parking facility, municipal museum, or municipal stadium;

(2) property of an airport owned by a city, town, county, or group thereof which is:

(i) leased to or used by any person or entity including a fixed base operator; and

(ii) used as a hangar for the storage or repair of aircraft or to provide aviation goods, services, or facilities to the airport or general public;

the exception from taxation provided in this clause does not apply to:

(i) property located at an airport owned or operated by the metropolitan airports commission or by a city of over 50,000 population according to the most recent federal census or such a city's airport authority; or

(ii) hangars leased by a private individual, association, or corporation in connection with a business conducted for profit other than an aviation-related business; or

(iii) facilities leased by a private individual, association or corporation in connection with a business for profit, that consists of a major jet engine repair facility financed, in whole or part, with the proceeds of state bonds and located in a tax increment financing district;

(3) property constituting or used as a public pedestrian ramp or concourse in connection with a public airport; or

(4) property constituting or used as a passenger check-in area or ticket sale counter, boarding area, or luggage claim area in connection with a public airport but not the airports owned or operated by the metropolitan airports commission or cities of over 50,000 population or an airport authority therein. Real estate owned by a municipality in connection with the operation of a public airport and leased or used for agricultural purposes is not exempt.

(c) Taxes imposed by this subdivision are payable as in the case of personal property taxes and shall be assessed to the lessees or users of real or personal property in the same manner as taxes assessed to owners of real or personal property, except that such taxes shall not become a lien against the property. When due, the taxes shall constitute a debt due from the lessee or user to the state, township, city, county, and school district for which the taxes were assessed and shall be collected in the same manner as personal property taxes. If property subject to the tax imposed by this subdivision is leased or used jointly by two or more persons, each lessee or user shall be jointly and severally liable for payment of the tax.

(d) The tax on real property of the state or any of its political subdivisions that is leased by a private individual, association, or corporation and becomes taxable under this subdivision or other provision of law must be assessed and collected as a personal property assessment. The taxes do not become a lien against the real property.

Sec. 17 Minnesota Statutes 1990, section 290.06, is amended by adding a subdivision to read:

Subd. 24. [CREDIT FOR JOB CREATION.] (a) A corporation that leases and operates a heavy maintenance base for aircraft that is owned by the state of Minnesota or one of its political subdivisions, or an engine repair facility described in section 2, subdivision 6, or both, may take a credit against the tax due under this chapter.

(b) For the first taxable year when the facility has been in operation for at least three consecutive months, the credit is equal to \$5,000 multiplied by the number of persons employed by the corporation on a full-time basis at the facility on the last day of the taxable year, not to exceed the number of persons employed by the corporation on a full-time basis at the facility on the date 90 days

before the last day of the taxable year. For each of the succeeding four taxable years, the credit is equal to \$5,000 multiplied by the number of persons employed by the corporation on a full-time basis at the facility on the last day of the taxable year, not to exceed the number of persons employed by the corporation on a full-time basis at the facility on the date 90 days before the last day of the taxable year.

(c) For the first taxable year in which the credit is allowed for the facility, the credit must not exceed 80 percent of the wages paid to or incurred for persons employed by the taxpayer at the facility during the taxable year. For the succeeding four taxable years, the credit must not exceed 20 percent of the wages paid to or incurred for persons employed by the taxpayer at the facility during the taxable year. For purposes of this section, "wages" has the meaning given under section 3121(b) of the Internal Revenue Code of 1986, as amended through December 31, 1990, except the limitation to the contribution and benefit base does not apply.

(d) If the credit provided under this subdivision exceeds the tax liability of the corporation for the taxable year, the excess amount of the credit may be carried over to each of the ten taxable years succeeding the taxable year. The entire amount of the credit must be carried to the earliest taxable year to which the amount may be carried. The unused portion of the credit must be carried to the following taxable year. No credit may be carried to a taxable year more than ten years after the taxable year in which the credit was earned.

Sec. 18. [297A.2571] [AIRCRAFT FACILITY MATERIALS; EX-EMPTIONS.]

Materials, equipment, and supplies used or consumed in constructing, or incorporated into the construction of, a heavy maintenance facility for aircraft that is to be owned by the state of Minnesota or one of its political subdivisions and leased by an airline company, or an aircraft engine repair facility described in section 2, subdivision 6, are exempt from the taxes imposed under this chapter and from any sales and use tax imposed by a local unit of government, notwithstanding any ordinance or city charter provision. Except for equipment owned or leased by a contractor, all machinery, equipment, tools, accessories, appliances, contrivances, furniture, fixtures, and all tangible personal property of any other nature or description necessary to the construction and equipping of that facility in order to provide those services is also exempt."

Page 22, after line 27, insert:

"Sec. 23. [CITY OF DULUTH; TAX INCREMENT FINANCING DISTRICT.]

Subdivision 1. [AUTHORIZATION.] The city of Duluth may create a tax increment financing district, as provided in this subdivision, on property located at the Duluth international airport. Except as provided otherwise in this section, the provisions of Minnesota Statutes, sections 469.174 to 469.179, shall apply to the district. The district shall consist of parcels on which the facility described in section 2, subdivision 5, is proposed to be located. The city or any of its authorities or agencies listed in Minnesota Statutes, section 469.174, subdivision 2, may be the "authority" for purposes of Minnesota Statutes, sections 469.174 to 469.179.

The authority or agency being utilized for this tax increment financing district shall be expanded by two members. The additional two members shall be elected county commissioners from the city of Duluth and appointed by the St. Louis county board for terms as designated by the county board.

Subd. 2. [CHARACTERISTICS OF THE DISTRICT.] (a) The district shall be a redevelopment district as defined in Minnesota Statutes, section 469.174, subdivision 10, except that the durational limit under Minnesota Statutes, section 469.176, subdivision 1, paragraph (e), shall be extended to 30 years.

(b) Notwithstanding Minnesota Statutes, section 469.176, subdivision 4j, the revenue derived from tax increments from this district and money in any of the funds specified in section 54(a) of the Duluth City Charter that are pledged by the governing body of the city of Duluth for this purpose must be used to pay debt service on the obligations or debt issued under section 4 to finance any portion of the facilities described in section 2, subdivision 5, in a principal amount not to exceed \$47,600,000. If the revenues derived from tax increment and the maximum amount of the other pledged revenues exceed the minimum amount the bond indenture requires to be deposited in the debt service fund, including any reserve, the excess either must be used (1) to defease the bonds, or (2) to reduce pro rata the amount of other pledged revenues and tax increments required to be deposited in the debt service fund. Tax increments not required to be deposited in the debt service fund are excess tax increments and must be distributed as provided in section 469.176, subdivision 2, paragraph (a), clause (4).

(c) Administrative expenses of the district may be paid out of the proceeds of the bonds as the commissioner of finance determines appropriate and are appropriated for that purpose.

(d) The provisions of Minnesota Statutes, section 273.1399, do not apply to the district.

Sec. 24. [CITY OF HIBBING; TAX INCREMENT FINANCING DISTRICT.]

Subdivision 1. [AUTHORIZATION.] The city of Hibbing may create a tax increment financing district, as provided in this subdivision, on property located in the city of Hibbing. Except as provided otherwise in this section, the provisions of Minnesota Statutes, sections 469.174 to 469.179, shall apply to the district. The district shall consist of parcels on which the facility described in section 2, subdivision 6, is proposed to be located. The city or any of its authorities or agencies listed in Minnesota Statutes, section 469.174, subdivision 2, may be the "authority" for purposes of Minnesota Statutes, sections 469.174 to 469.179.

The authority or agency being utilized for this tax increment financing district, shall be expanded by two members. The additional two members shall be elected county commissioners from the taconite tax relief area as defined in Minnesota Statutes, section 273.134, and appointed by the St. Louis county board for terms as designated by the county board.

Subd. 2. [CHARACTERISTICS OF THE DISTRICT.] (a) The district shall be a redevelopment district as defined in Minnesota Statutes, section 469.174, subdivision 10, except that the durational limit under Minnesota Statutes, section 469.176, subdivision 1, paragraph (e), shall be extended to 30 years.

(b) Notwithstanding Minnesota Statutes, section 469.176, subdivision 4j, the revenue derived from tax increments from this district must be used to pay debt service on the obligations issued under section 4 to finance any portion of the facilities described in section 2, subdivision 6.

(c) Administrative expenses of the district may be paid out of the proceeds of the bonds issued under section 4 as the commissioner of finance determines appropriate and are appropriated for that purpose.

(d) The provisions of Minnesota Statutes, section 273.1399, do not apply to the district."

Page 22, line 29, delete "15" and insert "24"

Page 23, line 21, after the period, insert "Section 17 is effective for taxable years beginning after December 31, 1991."

Page 31, after line 20, insert:

"Sec. 5. [473.680] [TAX INCREMENT FINANCING DISTRICT FOR HEAVY MAINTENANCE FACILITY.]

Subdivision 1. [AUTHORIZATION.] The commission may create a tax increment financing district as provided in this subdivision on

property located at the Minneapolis-St. Paul International Airport. Except as otherwise provided in this section, the provisions of sections 469.174 to 469.179 apply to the district. The district shall consist of parcels on which the heavy maintenance facility described in section 473.667, subdivision 12, is proposed to be located. The commission is the "authority" for purposes of sections 469.174 to 469.179.

Subd. 2. [CHARACTERISTICS OF THE DISTRICT.] (a) The district shall be an economic development district as defined in section 469.174, subdivision 12.

(b) Notwithstanding section 469.176, subdivision 4c, the revenue derived from tax increment from the district must be used only to pay debt service on general obligation revenue bonds issued by the commission under section 473.667, subdivision 12.

Page 31, line 21, delete "5" and insert "6"

Page 31, line 22, delete "4" and insert "5"

Renumber the sections in sequence and correct internal cross references

Amend the title accordingly

Pauly and Valento moved to amend the Simoneau et al amendment to H. F. No. 1655, the fourth engrossment, as amended, as follows:

Page 4, line 29, before "tools" insert "and" and delete the last comma

Page 4, delete lines 30 and 31

Page 4, line 32, delete "description"

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

The question recurred on the Simoneau et al amendment, as amended, to H. F. No. 1655, the fourth engrossment, as amended. The motion prevailed and the amendment, as amended, was adopted.

The Speaker resumed the Chair.

Cooper moved to amend H. F. No. 1655, the fourth engrossment, as amended, as follows:

Page 20, after line 3, insert:

“Sec. 16. Minnesota Statutes 1990, section 297A.257, subdivision 2, is amended to read:

Subd. 2. [SALES TAX EXEMPTION.] (a) Purchase and use of capital equipment is exempt from the sales and use tax imposed by this chapter if the capital equipment is placed in service in connection with the construction of a new or an expansion of an existing manufacturing facility in a distressed county or in the taconite tax relief area defined in section 273.134. Purchase or use of equipment for use in an existing plant qualifies under this section and section 297A.01, subdivision 16, as an expansion if either:

(1) the production capacity of the plant is increased by at least 20 percent as a result or if the total capital investments made within a 12-month period exceed \$25,000,000; or

(2) it meets the requirements of section 297A.01, subdivision 16.

Purchases of capital equipment are exempt under this section only to the extent that the purchases of capital equipment for the project during the calendar year exceed \$100,000. ~~The county is a distressed county for purposes of this subdivision if it was designated as a distressed county for the time period during which the contract to purchase the equipment was executed.~~

~~A county meeting only the criteria in paragraph (a), clause (3), of subdivision 1 is a distressed county for purposes of this subdivision if it was designated as a distressed county for the time period during which sales and use tax on capital equipment purchased became due and payable.~~

(b) Machinery and equipment qualifies for the exemption under this section, regardless of whether it was purchased by the owner, contractor, subcontractor, or builder.”

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

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

H. F. No. 1655, A bill for an act relating to taxation; authorizing the department of trade and economic development to issue obligations to finance construction of aircraft maintenance and repair facilities; authorizing the metropolitan airports commission to operate outside the metropolitan area; establishing an interagency task force; amending Minnesota Statutes 1990, sections 272.01, subdivision 2; 290.06, by adding a subdivision; 360.013, subdivision 5; 360.032, subdivision 1; 360.038, subdivision 4; 473.608, subdivision 1; and 473.667, subdivision 8a, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 297A; and 473; proposing coding for new law as Minnesota Statutes, chapter 116R.

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 89 yeas and 43 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Garcia	Kelso	O'Connor	Schreiber
Anderson, R. H.	Girard	Kinkel	Ogren	Seaberg
Battaglia	Goodno	Knickerbocker	Olsen, S.	Segal
Bauerly	Greenfield	Koppendrayer	Olson, E.	Simoneau
Begich	Hanson	Krueger	Omann	Solberg
Bishop	Hartle	Lieder	Onnen	Sparby
Bodahl	Hasskamp	Limmer	Ozment	Steensma
Boo	Henry	Long	Pellow	Swenson
Brown	Hufnagle	Lourey	Pelowski	Thompson
Carlson	Hugoson	Lynch	Peterson	Tompkins
Carruthers	Jacobs	Macklin	Pugh	Tunheim
Clark	Janezich	McEachern	Reding	Uphus
Cooper	Jaros	McGuire	Rest	Wejcman
Dempsey	Jefferson	Milbert	Rice	Welle
Dille	Jennings	Morrison	Rodosovich	Wenzel
Erhardt	Johnson, A.	Munger	Rukavina	Winter
Frederick	Johnson, V.	Murphy	Sarna	Spk. Vanasek
Frerichs	Kahn	Newinski	Scheid	

Those who voted in the negative were:

Abrams	Dorn	Krinkie	Orfield	Sviggum
Anderson, R.	Farrell	Lasley	Osthoff	Valento
Beard	Gruenes	Leppik	Ostrom	Vellenga
Bertram	Gutknecht	Mariani	Pauly	Wagenius
Bettermann	Haukoos	Marsh	Runbeck	Waltman
Blatz	Hausman	McPherson	Schafer	Weaver
Dauner	Heir	Nelson, S.	Skoglund	Welker
Dauids	Johnson, R.	Olson, K.	Smith	
Dawkins	Kalis	Orenstein	Stanius	

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

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

RECESS

RECONVENED

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

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 700

A bill for an act relating to education; providing for general education revenue; transportation; special programs; community service programs; facilities and equipment; other aids and levies; miscellaneous education related programs; library programs; education agency services; art education programs; maximum effort school loan programs; authorizing bonding; appropriating money; amending Minnesota Statutes 1990, sections 120.08, subdivision 3; 120.101, subdivisions 5, 9, and by adding a subdivision; 120.17, subdivisions 3b and 7a; 120.181; 121.11, subdivision 12; 121.148, subdivision 1; 121.15, subdivisions 7 and 9; 121.155; 121.585, subdivision 3; 121.611, subdivision 2; 121.88, subdivisions 9 and 10; 121.882, subdivisions 2, 6, and by adding a subdivision; 121.904, subdivisions 4a and 4e; 121.912, by adding a subdivision; 122.22, subdivisions 7a and 9; 122.23, subdivisions 2 and 3; 122.242, subdivision 9; 122.531, by adding subdivisions; 122.535, subdivision 6; 123.33, subdivision 1; 123.34, subdivision 9; 123.35, subdivisions 8, 17, and by adding a subdivision; 123.3514, subdivisions 3, 4, 4c, and by adding a subdivision; 123.38, subdivision 2b; 123.702; 123.951; 124.155, subdivision 2; 124.17, subdivisions 1 and 1b; 124.175; 124.19, subdivisions 1, 7, and by adding a subdivision; 124.195, subdivisions 9, 11, and 12; 124.223, subdivisions 1 and 8; 124.225, subdivisions 1, 3a, 7a, 7b, 7d, 8a, 8k, 10, and by adding a subdivision; 124.26, subdivisions 1c and 2; 124.261; 124.2711, subdivisions 1 and 3; 124.2721, subdivisions 1, 2, and 3; 124.2725, subdivisions 6 and 13; 124.273, subdivision 1b; 124.311, subdivision 4; 124.32, subdivisions 1b and 10; 124.332, subdivisions 1 and 2; 124.431, by adding a subdivision; 124.573, subdivisions 2b and 3a; 124.574, subdivision 2b; 124.575, subdivisions 1, 2, 3, and 4; 124.646; 124.83, subdivision 4; 124.86, subdivision 2; 124A.03; 124A.04; 124A.22, subdivisions 2, 4, 5, 8, 9, and by adding subdivisions; 124A.23, subdivisions 1, 4, and 5; 124A.24; 124A.26, subdivision 1; 124A.29, subdivision 1; 124A.30; 124C.03, subdivision 2; 125.12, subdivisions 3, 6b, and by adding subdivisions; 125.17, subdivision 2, and by adding subdivisions; 125.185, subdivisions 4 and 4a; 125.231; 126.22, subdivisions 2 and 4; 126.23; 126.266, subdivision 2; 126.661, subdivision 5, and by adding a subdivision; 126.663, subdivision 2; 126.666, subdivision 2, and by adding subdivisions; 126.67, subdivision 2b; 126.70, subdivisions 1, 2, and 2a; 127.29, by adding a subdivision; 128A.05, subdivision 3;

129C.10; 136D.27, subdivisions 1, 2, and 3; 136D.72, subdivision 1; 136D.74, subdivisions 2, 2a, and 2b; 136D.76, subdivision 2; 136D.87, subdivisions 1, 2, and 3; 141.25, subdivision 8; 141.26, subdivision 5; 145.926; 148.191, subdivision 2; 171.29, subdivision 2; 245A.03, subdivision 2; 260.015, subdivision 19; 268.08, subdivision 6; 273.1398, subdivision 6; 275.06; 275.125, subdivisions 4, 5, 5b, 5c, 8b, 8e, and 11d, and by adding a subdivision; 298.28, subdivision 4; Laws 1989, chapter 329, article 6, section 53, as amended; proposing coding for new law in Minnesota Statutes, chapters 3; 120; 121; 123; 124; 125; 134; 373; 473; repealing Minnesota Statutes 1990, sections 3.865; 3.866; 120.011; 121.111; 122.531, subdivision 5; 123.351, subdivision 10; 123.706; 123.707; 123.744; 124.225, subdivisions 3, 4b, 7c, 8b, 8i, 8j; 124.252; 124.575; 124C.01, subdivision 2; 124C.41, subdivisions 6 and 7; 126.70, subdivisions 2 and 2a; 275.125, subdivision 8c; and Laws 1988, chapter 703, article 1, section 23, as amended; Laws 1989, chapter 293, section 82; Laws 1989, chapter 329, articles 4, section 40; 9, section 30; and 12, section 8; Laws 1990, chapter 562, article 6, section 36.

May 18, 1991

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. 700, 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. 700 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
GENERAL EDUCATION REVENUE

Section 1. Minnesota Statutes 1990, section 121.904, subdivision 4a, is amended to read:

Subd. 4a. [LEVY RECOGNITION.] (a) "School district tax settlement revenue" means the current, delinquent, and manufactured home property tax receipts collected by the county and distributed to the school district, including distributions made pursuant to section 279.37, subdivision 7, and excluding the amount levied pursuant to sections 124.2721, subdivision 3; 124.575, subdivision 3; and 275.125, subdivision 9a; and Laws 1976, chapter 20, section 4.

(b) In June of each year, the school district shall recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the June and July school district tax settlement revenue received in that calendar year; or

(2) the sum of the state aids and credits enumerated in section 124.155, subdivision 2, which are for the fiscal year payable in that fiscal year plus ~~31.0~~ 37.0 percent of the amount of the levy certified in the prior calendar year according to section 124A.03, subdivision 2, plus or minus auditor's adjustments, not including levy portions that are assumed by the state; or

(3) ~~31.0~~ 37.0 percent of the amount of the levy certified in the prior calendar year, plus or minus auditor's adjustments, not including levy portions that are assumed by the state, which remains after subtracting, by fund, the amounts levied for the following purposes:

(i) reducing or eliminating projected deficits in the reserved fund balance accounts for unemployment insurance and bus purchases;

(ii) statutory operating debt pursuant to section 275.125, subdivision 9a, and Laws 1976, chapter 20, section 4; and

(iii) retirement and severance pay pursuant to sections 124.2725, subdivision 15, 124.4945, and 275.125, subdivisions 4 and 6a, and Laws 1975, chapter 261, section 4; and

(iv) amounts levied for bonds issued and interest thereon, amounts levied for debt service loans and capital loans, amounts levied for down payments under section 124.82, subdivision 3, and amounts levied pursuant to section 275.125, subdivision 14a.

(c) In July of each year, the school district shall recognize as revenue that portion of the school district tax settlement revenue received in that calendar year and not recognized as revenue for the previous fiscal year pursuant to clause (b).

(d) All other school district tax settlement revenue shall be recognized as revenue in the fiscal year of the settlement. Portions of the school district levy assumed by the state, including prior year adjustments and the amount to fund the school portion of the

reimbursement made pursuant to section 273.425, shall be recognized as revenue in the fiscal year beginning in the calendar year for which the levy is payable.

Sec. 2. Minnesota Statutes 1990, section 121.904, subdivision 4e, is amended to read:

Subd. 4e. [COOPERATION LEVY RECOGNITION.] (a) A cooperative district is a district or cooperative that receives revenue according to section 124.2721 or 124.575.

(b) In June of each year, the cooperative district shall recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the sum of the state aids and credits enumerated in section 124.155, subdivision 2, that are for the fiscal year payable in that fiscal year; or

(2) ~~31.0~~ 37.0 percent of the difference between

(i) the sum of the amount of levies certified in the prior year according to sections 124.2721, subdivision 3, and 124.575, subdivision 3; and

(ii) the amount of transition aid paid to the cooperative unit according to section 273.1392 for the fiscal year to which the levy is attributable.

Sec. 3. Minnesota Statutes 1990, section 122.531, is amended by adding a subdivision to read:

Subd. 5a. [SUPPLEMENTAL REVENUE.] (a) For purposes of computing the supplemental revenue and the minimum allowance under section 124A.22, subdivision 9, paragraph (b), in the case of a consolidation, the newly created district's 1991-1992 revenue and 1991-1992 actual pupil units are the sum of the 1991-1992 revenue and 1991-1992 pupil units, respectively, of the former districts comprising the new district.

(b) For purposes of computing the supplemental revenue and the minimum allowance under section 124A.22, subdivision 9, paragraph (b), in the case of a dissolution and attachment, a district's 1991-1992 revenue is the revenue of the existing district plus the result of the following calculation:

(1) the 1991-1992 revenue of the dissolved district divided by

(2) the dissolved district's 1991-1992 actual pupil units, multiplied by

(3) the pupil units of the dissolved district in the most recent year before the dissolution allocated to the newly created or enlarged district.

(c) In the case of a dissolution and attachment, the department of education shall allocate the pupil units of the dissolved district to the newly enlarged district based on the allocation of the property on which the pupils generating the pupil units reside.

Sec. 4. Minnesota Statutes 1990, section 124.17, subdivision 1, is amended to read:

Subdivision 1. [PUPIL UNIT.] Pupil units for each resident pupil in average daily membership shall be counted according to this subdivision.

(a) A handicapped prekindergarten pupil who is enrolled for the entire fiscal year in a program approved by the commissioner and has an individual education plan that requires up to 437 hours of assessment and education services in the fiscal year is counted as one-half of a pupil unit. If the plan requires more than 437 hours of assessment and education services, the pupil is counted as the ratio of the number of hours of assessment and education service to 875, but not more than one.

(b) A handicapped prekindergarten pupil who is enrolled for less than the entire fiscal year in a program approved by the commissioner is counted as the greater of:

(1) one-half times the ratio of the number of instructional days from the date the pupil is enrolled to the date the pupil withdraws to the number of instructional days in the school year;² or

(2) the ratio of the number of hours of assessment and education service required in the fiscal year by the pupil's individual education program plan to 875, but not more than one.

(c) A prekindergarten pupil who is assessed but determined not to be handicapped is counted as the ratio of the number of hours of assessment service to 875.

(d) A handicapped kindergarten pupil who is enrolled in a program approved by the commissioner is counted as the ratio of the number of hours of assessment and education services required in the fiscal year by the pupil's individual education program plan to 875, but not more than one.

(e) A kindergarten pupil who is not included in paragraph (d) is counted as one-half of a pupil unit.

(f) A pupil who is in any of grades 1 to 6 is counted as one pupil unit.

(g) A pupil who is in any of grades 7 to 12 is counted as ~~1.35~~ 1.3 pupil units.

Sec. 5. Minnesota Statutes 1990, section 124.17, subdivision 1b, is amended to read:

Subd. 1b. [FISCAL YEAR 1992 AFDC PUPIL UNITS.] AFDC pupil units for fiscal year 1992 shall be computed according to this subdivision. In a district in which the number of pupils from families receiving aid to families with dependent children on October 1 of the previous school year according to section 7 equals six percent or more of the actual pupil units in the district for the current school year, as computed in subdivision 1, each such pupil shall be counted as an additional one-tenth of a pupil unit for each percent of concentration over five percent of such pupils in the district. The percent of concentration shall be rounded down to the nearest whole percent. In a district in which the percent of concentration is less than six, additional pupil units may not be counted for such pupils. A pupil may not be counted as more than .6 additional pupil unit under this subdivision. The weighting in this subdivision is in addition to the weighting provided in subdivision 1.

Sec. 6. Minnesota Statutes 1990, section 124.17, is amended by adding a subdivision to read:

Subd. 1c. [AFDC PUPIL UNITS.] AFDC pupil units for fiscal year 1993 and thereafter must be computed according to this subdivision.

(a) The AFDC concentration percentage for a district equals the product of 100 times the ratio of:

(1) the number of pupils enrolled in the district from families receiving aid to families with dependent children according to section 7; to

(2) the number of pupils in average daily membership according to section 7 enrolled in the district.

(b) The AFDC pupil weighting factor for a district equals the lesser of one or the quotient obtained by dividing the district's AFDC concentration percentage by 11.5.

(c) The AFDC pupil units for a district for fiscal year 1993 and thereafter equals the product of:

(1) the number of pupils enrolled in the district from families

receiving aid to families with dependent children according to section 7; times

(2) the AFDC pupil weighting factor for the district; times

(3) .65.

Sec. 7. Minnesota Statutes 1990, section 124.17, is amended by adding a subdivision to read:

Subd. 1d. [AFDC PUPIL COUNTS.] AFDC pupil counts and average daily membership for sections 5 and 6 shall be determined according to this subdivision:

(a) For districts where the number of pupils from families receiving aid to families with dependent children has increased over the preceding year for each of the two previous years, the number of pupils enrolled in the district from families receiving aid to families with dependent children shall be those counted on October 1 of the previous school year. The average daily membership used shall be from the previous school year.

(b) For districts that do not meet the requirement of paragraph (a), the number of pupils enrolled in the district from families receiving aid to families with dependent children shall be the average number of pupils on October 1 of the second previous school year and October 1 of the previous school year. The average daily membership used shall be the average number enrolled in the previous school year and the second previous school year.

Sec. 8. Minnesota Statutes 1990, section 124A.02, subdivision 16, is amended to read:

Subd. 16. [PUPIL UNITS, AFDC.] "AFDC pupil units" for fiscal year 1992 means pupil units identified in section 124.17, subdivision 1b.

"AFDC pupil units" for fiscal year 1993 and thereafter means pupil units identified in section 6.

Sec. 9. Minnesota Statutes 1990, section 124A.02, subdivision 23, is amended to read:

Subd. 23. [TRAINING AND EXPERIENCE INDEX.] "Training and experience index" means a measure of a district's teacher training and experience relative to the education and experience of teachers in the state. The measure shall be determined pursuant to section 124A.04 and according to a method published in the Minnesota Code of Administrative Rules. The published method shall include the data used and a reasonably detailed description of the

steps in the method. The method shall not be subject to the provisions of chapter 14. At least biennially, the department shall recompute the index using complete new data.

Sec. 10. Minnesota Statutes 1990, section 124A.03, is amended to read:

124A.03 [REFERENDUM LEVY REVENUE.]

Subd. 1b. [REFERENDUM ALLOWANCE.] A district's referendum revenue allowance equals the referendum revenue authority for that year divided by its actual pupil units for that school year.

Subd. 1c. [REFERENDUM ALLOWANCE LIMIT.] (a) Notwithstanding subdivision 1b, a district's referendum allowance must not exceed the greater of:

- (1) the district's referendum allowance for fiscal year 1992; or
- (2) 35 percent of the formula allowance for that fiscal year.

Subd. 1d. [SPARSITY EXCEPTION.] A district that qualifies for sparsity revenue under section 124A.22 is not subject to a referendum allowance limit.

Subd. 1e. [TOTAL REFERENDUM REVENUE.] The total referendum revenue for each district equals the district's referendum allowance times the actual pupil units for the school year.

Subd. 1f. [REFERENDUM EQUALIZATION REVENUE.] A district's referendum equalization revenue equals ten percent of the formula allowance times the district's actual pupil units for that year.

Referendum equalization revenue must not exceed a district's referendum revenue allowance times the district's actual pupil units for that year.

Subd. 1g. [REFERENDUM EQUALIZATION LEVY.] A district's referendum equalization levy equals the district's referendum equalization revenue times the lesser of one or the ratio of the district's adjusted net tax capacity per actual pupil unit to 50 percent of the equalizing factor as defined in section 124A.02, subdivision 8.

Subd. 1h. [REFERENDUM EQUALIZATION AID.] (a) A district's referendum equalization aid equals the difference between its referendum equalization revenue and levy.

(b) For fiscal year 1993, a district's referendum equalization aid is equal to one-third of the amount calculated in clause (a).

(c) For fiscal year 1994, a district's referendum equalization aid is equal to two-thirds of the amount calculated in clause (a).

(d) If a district's actual levy for referendum equalization revenue is less than its maximum levy limit, aid shall be proportionately reduced.

Subd. 1i. [UNEQUALIZED REFERENDUM LEVY.] Each year, a district may levy an amount equal to the difference between its total referendum revenue according to subdivision 1f and its equalized referendum aid and levy according to subdivisions 1g and 1h.

Subd. 2. [REFERENDUM LEVY REVENUE.] (a) The levy revenue authorized by section 124A.23 124A.22, subdivision 2 1, may be increased in the amount approved by the voters of the district at a referendum called for the purpose. The referendum may be called by the school board or shall be called by the school board upon written petition of qualified voters of the district. The referendum must be held on the first Tuesday after the first Monday in November. The ballot shall state the maximum amount of the increased levy as a percentage of net tax capacity, the amount that will be raised by that local tax rate revenue per actual pupil unit, the estimated net tax capacity rate in the first year it is to be levied, and that the local tax rate revenue shall be used to finance school operations. The ballot shall designate the specific number of years, not to exceed five, for which the referendum authorization shall apply. The ballot may contain a textual portion with the information required in this subdivision and a question stating substantially the following:

"Shall the increase in the levy revenue proposed by (petition to) the board of, School District No. ..., be approved?"

If approved, the an amount provided by equal to the approved local tax rate applied to the net tax capacity revenue per actual pupil unit times the actual pupil units for the school year preceeding beginning in the year after the levy is certified shall be authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.

(b) The school board shall prepare and deliver by first class mail at least 15 days but no more than 30 days prior to the day of the referendum to each taxpayer at the address listed on the school district's current year's assessment roll, a notice of the referendum and the proposed levy revenue increase. For the purpose of giving mailed notice under this subdivision, owners shall be those shown to be owners on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the

records of the county treasurer. Every property owner whose name does not appear on the records of the county auditor or the county treasurer shall be deemed to have waived this mailed notice unless the owner has requested in writing that the county auditor or county treasurer, as the case may be, include the name on the records for this purpose. The notice must project the anticipated amount of tax increase in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the school district.

The notice must include the following statement: "~~In 1989 the legislature reduced property taxes for education by increasing the state share of funding for education. However, state aid for cities and townships was reduced by a corresponding amount. As a result, property taxes for cities and townships may increase.~~ "Passage of this referendum will result in an increase in your property taxes."

(c) A referendum on the question of revoking or reducing the increased levy revenue amount authorized pursuant to paragraph (a) may be called by the school board and shall be called by the school board upon the written petition of qualified voters of the district. A levy A referendum to revoke or reduce the levy amount must be based upon the dollar amount, local tax rate, or amount per actual pupil unit, that was stated to be the basis for the initial authorization. Revenue approved by the voters of the district pursuant to paragraph (a) must be made received at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one revocation or reduction referendum may be held to revoke or reduce a levy referendum revenue for any specific year and for years thereafter.

(d) A petition authorized by paragraph (a) or (c) shall be effective if signed by a number of qualified voters in excess of 15 percent of the registered voters of the school district on the day the petition is filed with the school board. A referendum invoked by petition shall be held on the date specified in paragraph (a).

(e) The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this subdivision.

(f) At least 15 days prior to the day of the referendum, the district shall submit a copy of the notice required under paragraph (b) to the commissioner of education. Within 15 days after the results of the referendum have been certified by the school board, or in the case of a recount, the certification of the results of the recount by the canvassing board, the district shall notify the commissioner of education of the results of the referendum.

Sec. 11. Minnesota Statutes 1990, section 124A.04, is amended to read:

124A.04 [TRAINING AND EXPERIENCE INDEX.]

Subdivision 1. [FISCAL YEAR 1992.] The training and experience index for fiscal year 1992 shall be constructed in the following manner:

(a) The department shall construct a matrix which classifies teachers by the extent of training received in accredited institutions of higher education, and by the years of experience which ~~the district~~ takes districts take into account in determining ~~each teacher's~~ salary teacher salaries.

(b) For all teachers in the state, the average salary per full-time-equivalent shall be computed for each cell of the matrix.

(c) For each cell of the matrix, the ratio of the average salary in that cell to the average salary in the cell for teachers with no prior years of experience and only a bachelor's degree shall be computed. The department shall use statistical methods to ensure continuously increasing ratios as cells are higher in training or experience.

(d) The index for each district shall be equal to the weighted average of the ratios assigned to the full-time-equivalent teachers in each district.

Subd. 2. [1993 AND LATER.] The training and experience index for fiscal year 1993 and later fiscal years must be constructed in the following manner:

(a) The department shall construct a matrix that classifies teachers by the extent of training received in accredited institutions of higher education and by the years of experience that districts take into account in determining teacher salaries.

(b) The average salary for each cell of the matrix must be computed as follows using data from the second year of the previous biennium:

(1) For each school district, multiply the salary paid to full-time equivalent teachers with that combination of training and experience according to the district's teacher salary schedule by the number of actual pupil units in that district.

(2) Add the amounts computed in clause (1) for all districts in the state and divide the resulting sum by the total number of actual pupil units in all districts in the state that employ teachers.

(c) For each cell in the matrix, compute the ratio of the average salary in that cell to the average salary for all teachers in the state. Cells of the matrix in lanes beyond the master's degree plus 30

credits lane must receive the same ratio as the cells in the master's degree plus 30 credits lane.

(d) The index for each district that employs teachers equals the sum of the ratios for each teacher in that district divided by the number of teachers in that district. The index for a district that employs no teachers is zero.

Sec. 12. Minnesota Statutes 1990, section 124A.22, subdivision 2, is amended to read:

Subd. 2. [BASIC REVENUE.] The basic revenue for each district equals the formula allowance times the actual pupil units for the school year. ~~The formula allowance is \$2,838 for fiscal year 1990.~~ The formula allowance for 1992 and subsequent fiscal years is \$2,953 \$3,050.

Sec. 13. Minnesota Statutes 1990, section 124A.22, subdivision 3, is amended to read:

Subd. 3. [COMPENSATORY EDUCATION REVENUE.] (a) For fiscal year 1992, the compensatory education revenue for each district equals the formula allowance times the AFDC pupil units counted according to section 124.17, subdivision 1b, for the school year.

(b) For fiscal year 1993 and thereafter, the maximum compensatory education revenue for each district equals the formula allowance times the AFDC pupil units computed according to section 124.17, subdivision 1c.

(c) For fiscal year 1993 and thereafter, the previous formula compensatory education revenue for each district equals the formula allowance times the AFDC pupil units computed according to section 124.17, subdivision 1b.

(d) For fiscal year 1993, the compensatory education revenue for each district equals the district's previous formula compensatory revenue plus one-fourth of the difference between the district's maximum compensatory education revenue and the district's previous formula compensatory education revenue.

(e) For fiscal year 1994, the compensatory education revenue for each district equals the district's previous formula compensatory education revenue plus one-half of the difference between the district's maximum compensatory education revenue and the district's previous formula compensatory education revenue.

(f) For fiscal year 1995, the compensatory education revenue for each district equals the district's previous formula compensatory

education revenue plus three-fourths of the difference between the district's maximum compensatory education revenue and the district's previous formula compensatory education revenue.

(g) For fiscal year 1996 and thereafter, the compensatory education revenue for each district equals the district's maximum compensatory education revenue.

Sec. 14. Minnesota Statutes 1990, section 124A.22, subdivision 4, is amended to read:

Subd. 4. [TRAINING AND EXPERIENCE REVENUE.] (a) For fiscal year 1992, the training and experience revenue for each district equals the greater of zero or the result of the following computation:

(a) (1) subtract 1.6 from the training and experience index;

(b) (2) multiply the result in clause (a) (1) by the product of \$700 times the actual pupil units for the school year.

(b) For 1993 and later fiscal years, the maximum training and experience revenue for each district equals the greater of zero or the result of the following computation:

(1) subtract .8 from the training and experience index;

(2) multiply the result in clause (1) by the product of \$575 times the actual pupil units for the school year.

(c) For 1993 and later fiscal years, the previous formula training and experience revenue for each district equals the amount of training and experience revenue computed for that district according to the formula used to compute training and experience revenue for fiscal year 1992.

(d) For fiscal year 1993, the training and experience revenue for each district equals the district's previous formula training and experience revenue plus one-fourth of the difference between the district's maximum training and experience revenue and the district's previous formula training and experience revenue.

(e) For fiscal year 1994, the training and experience revenue for each district equals the district's previous formula training and experience revenue plus one-half of the difference between the district's maximum training and experience revenue and the district's previous formula training and experience revenue.

(f) For fiscal year 1995, the training and experience revenue for each district equals the district's previous formula training and

experience revenue plus three-fourths of the difference between the district's maximum training and experience revenue and the district's previous formula training and experience revenue.

(g) For fiscal year 1996 and thereafter, the training and experience revenue for each district equals the district's maximum training and experience revenue.

Sec. 15. Minnesota Statutes 1990, section 124A.22, is amended by adding a subdivision to read:

Subd. 4a. [TRAINING AND EXPERIENCE LEVY.] A district's training and experience levy equals its training and experience revenue times the lesser of one or the ratio of the district's adjusted net tax capacity per actual pupil unit for the year before the year the levy is certified to the equalizing factor for the school year to which the levy is attributable.

Sec. 16. Minnesota Statutes 1990, section 124A.22, is amended by adding a subdivision to read:

Subd. 4b. [TRAINING AND EXPERIENCE AID.] A district's training and experience aid equals its training and experience revenue minus its training and experience levy times the ratio of the actual amount levied to the permitted levy.

Sec. 17. Minnesota Statutes 1990, section 124A.22, subdivision 5, is amended to read:

Subd. 5. [DEFINITIONS.] The definitions in this subdivision apply only to ~~subdivision~~ subdivisions 6 and 6a.

(a) "High school" means a secondary school that has pupils enrolled in at least the 10th, 11th, and 12th grades. If there is no secondary school in the district that has pupils enrolled in at least the 10th, 11th, and 12th grades, the commissioner shall designate one school in the district as a high school for the purposes of this section.

(b) "Secondary average daily membership" means, for a district that has only one high school, the average daily membership of resident pupils in grades 7 through 12. For a district that has more than one high school, "secondary average daily membership" for each high school means the product of the average daily membership of resident pupils in grades 7 through 12 in the high school, times the ratio of six to the number of grades in the high school.

(c) "Attendance area" means the total surface area of the district, in square miles, divided by the number of high schools in the district.

(d) "Isolation index" for a high school means the square root of one-half the attendance area plus the distance in miles, according to the usually traveled routes, between the high school and the nearest high school.

(e) "Qualifying high school" means a high school that has an isolation index greater than 23 and that has secondary average daily membership of less than 400.

(f) "Qualifying elementary school" means an elementary school that is located ~~20~~ 19 miles or more from the nearest elementary school or from the nearest elementary school within the district and, in either case, has an elementary average daily membership of an average of 20 or fewer per grade.

(g) "Elementary average daily membership" means, for a district that has only one elementary school, the average daily membership of resident pupils in kindergarten through grade 6. For a district that has more than one elementary school, "average daily membership" for each school means the average daily membership of kindergarten through grade 6 multiplied by the ratio of seven to the number of grades in the elementary school.

Sec. 18. Minnesota Statutes 1990, section 124A.22, subdivision 8, is amended to read:

Subd. 8. [SUPPLEMENTAL REVENUE.] (a) A district's supplemental revenue for fiscal year 1992 equals the product of the district's supplemental revenue for fiscal year 1991 times the ratio of:

(1) the district's 1991-1992 actual pupil units; to

(2) the district's 1990-1991 actual pupil units adjusted for the change in secondary pupil unit weighting from 1.35 to 1.3 made in section 4.

(b) If a district's minimum allowance exceeds the sum of its basic revenue, previous formula compensatory education revenue, previous formula training and experience revenue, secondary sparsity revenue, and elementary sparsity revenue per actual pupil unit for a school fiscal year, and the excess is less than \$250 per actual pupil unit, the district shall receive supplemental revenue equal to the amount of the excess times the actual pupil units for the school year. If the amount of the excess is more than \$250 per actual pupil unit, the district shall receive the greater of (1) \$250 times the actual pupil units; or (2) the amount of the excess times the actual pupil units less the sum of (i) the difference between the district's training and experience revenue and its previous formula training and experience revenue; and (ii) the difference between the district's

compensatory education revenue and its previous formula compensatory education revenue.

Sec. 19. Minnesota Statutes 1990, section 124A.22, subdivision 9, is amended to read:

Subd. 9. [DEFINITIONS DEFINITION FOR SUPPLEMENTAL REVENUE.] (a) The definitions definition in this subdivision apply applies only to subdivision 8.

(b) "1987-1988 revenue" means the sum of the following categories of revenue for a district for the 1987-1988 school year:

(1) basic foundation revenue, tier revenue, and declining pupil unit revenue, according to Minnesota Statutes 1986, as supplemented by Minnesota Statutes 1987 Supplement, chapter 124A, plus any reduction to second tier revenue, according to Minnesota Statutes 1986, section 124A.08, subdivision 5;

(2) teacher retirement and FICA aid, according to Minnesota Statutes 1986, sections 124.2162 and 124.2163;

(3) chemical dependency aid, according to Minnesota Statutes 1986, section 124.246;

(4) gifted and talented education aid, according to Minnesota Statutes 1986, section 124.247;

(5) arts education aid, according to Minnesota Statutes 1986, section 124.275;

(6) summer program aid and levy, according to Minnesota Statutes 1986, sections 124A.03 and 124A.033;

(7) programs of excellence grants, according to Minnesota Statutes 1986, section 126.60; and

(8) liability insurance levy, according to Minnesota Statutes 1986, section 466.06.

For the purpose of this subdivision, intermediate districts and other employing units, as defined in Minnesota Statutes 1986, section 124.2161, shall allocate the amount of their teacher retirement and FICA aid for fiscal year 1988 among their participating school districts.

(e) "Minimum allowance" for a district means:

(1) the district's 1987-1988 general education revenue for fiscal year 1992, according to subdivision 1; divided by

(2) the district's ~~1987-1988~~ 1991-1992 actual pupil units, ~~adjusted for the change in secondary pupil unit weighting from 1.4 to 1.35 made by Laws 1987, chapter 308;~~ plus

(3) \$143 for fiscal year 1990 and \$258 for subsequent fiscal years.

Sec. 20. Minnesota Statutes 1990, section 124A.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL EDUCATION TAX RATE.] ~~The general education tax rate for fiscal year 1991 is 26.3 percent. Beginning in 1990,~~ The commissioner of revenue shall establish the general education tax 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 rate shall be the rate that raises ~~\$845,000,000 for fiscal year 1992 and \$887,000,000~~ \$916,000,000 for fiscal year 1993 and \$961,800,000 for fiscal year 1994 and subsequent later fiscal years. The general education tax 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 rate has been certified.

Sec. 21. Minnesota Statutes 1990, section 124A.23, subdivision 4, is amended to read:

Subd. 4. [GENERAL EDUCATION AID.] A district's general education aid is the sum of the following amounts:

(1) the product of (i) the difference between the general education revenue, excluding supplemental revenue, and the general education levy, times (ii) the ratio of the actual amount levied to the permitted levy;

(2) the product of (i) the difference between the supplemental revenue and the supplemental levy, times (ii) the ratio of the actual amount levied to the permitted levy; ~~and~~

(3) shared time aid according to section 124A.02, subdivision 21;

(4) referendum aid according to section 10; and

(5) debt service equalization aid according to article 5, section 8.

Sec. 22. Minnesota Statutes 1990, section 124A.23, subdivision 5, is amended to read:

Subd. 5. [USES OF REVENUE.] (a) General education revenue may be used during the regular school year and the summer for general and special school purposes.

(b) General education revenue may not be used:

(1) for premiums for motor vehicle insurance protecting against injuries or damages arising from the operation of district-owned, leased, or controlled vehicles to transport pupils for which state aid is authorized under section 124.223; or

(2) for any purpose for which the district may levy according to section 275.126, subdivision 5e.

Sec. 23. Minnesota Statutes 1990, section 124A.24, is amended to read:

124A.24 [GENERAL EDUCATION LEVY EQUITY.]

If a district's general education levy is determined according to section 124A.23, subdivision 3, an amount must be deducted from state aid authorized in this chapter and chapter 124, receivable for the same school year, and from other state payments receivable for the same school year authorized in chapter 273. The aid in section 124.646 must not be reduced.

The amount of the deduction equals the difference between:

(1) the general education tax rate, according to section 124A.23, times the district's adjusted net tax capacity used to determine the general education aid for the same school year; and

(2) the district's general education revenue, excluding supplemental revenue, for the same school year, according to section 124A.22.

However, for fiscal year 1989, the amount of the deduction shall be one-fourth of the difference between clauses (1) and (2); for fiscal year 1990, the amount of the deduction shall be one-third of the difference between clauses (1) and (2); for fiscal year 1991, the amount of the deduction shall be one-half of the difference between clauses (1) and (2); for fiscal year 1992, the amount of the deduction shall be four-sixths of the difference between clauses (1) and (2); and for fiscal year 1993, the amount of the deduction shall be five-sixths of the difference between clauses (1) and (2).

Sec. 24. Minnesota Statutes 1990, section 124A.26, subdivision 1, is amended to read:

Subdivision 1. [REVENUE REDUCTION.] A district's general education revenue for a school year shall be reduced if the estimated

net unappropriated operating fund balance as of June 30 in the prior school year exceeds \$600 times the fund balance pupil units in the prior year. For purposes of this subdivision only, fund balance pupil units means the number of resident pupil units in average daily membership enrolled in the district, including shared time pupils, according to section 124A.02, subdivision 20, plus

(1) pupils attending the district for which general education aid adjustments are made according to section 124A.036, subdivision 5; minus

(2) the sum of the resident pupils attending other districts for which general education aid adjustments are made according to section 124A.036, subdivision 5, and excluding plus pupils for whom payment is made according to section 126.22, subdivision 8, or 126.23. The amount of the reduction shall equal the lesser of:

(1) the amount of the excess, or

(2) \$150 times the actual pupil units for the school year.

The final adjustment payments made under section 124.195, subdivision 6, must be adjusted to reflect actual net operating fund balances as of June 30 of the prior school year.

Sec. 25. Minnesota Statutes 1990, section 124A.29, subdivision 1, is amended to read:

Subdivision 1. [~~GENERAL STAFF DEVELOPMENT AND PARENTAL INVOLVEMENT PROGRAMS.~~] (a) Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to ~~\$10~~ \$15 times the number of actual pupil units shall be reserved and may be used only to provide staff time for peer review under section 125.12 or 125.17 or staff development programs for outcome-based education, according to section 126.70, subdivisions 1 and 2a. Staff development revenue may be used only for staff time for peer review or outcome-based education activities. The school board shall determine which programs the staff development activities to provide, the manner in which they will be provided, and the extent to which other money local funds may be used for the programs to supplement staff development activities that implement outcome-based education.

(b) Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to \$5 times the number of actual pupil units must be reserved and may be used only to provide parental involvement programs that implement section 124C.61.

Sec. 26. Minnesota Statutes 1990, section 124A.30, is amended to read:

124A.30 [STATEWIDE AVERAGE REVENUE.]

By October 1 of each year the commissioner shall estimate the statewide average general education revenue per actual pupil unit and the range in general education revenue among pupils and districts by computing the difference between the fifth and ninety-fifth percentiles of general education revenue. The commissioner must provide that information to all school districts.

If the disparity in general education revenue as measured by the difference between the fifth and ninety-fifth percentiles increases in any year, the commissioner must propose a change in the general education formula that will limit the disparity in general education revenue to no more than the disparity for the previous school year. The commissioner must submit the proposal to the education committees of the legislature by January 15.

Sec. 27. Minnesota Statutes 1990, section 298.28, subdivision 4, is amended to read:

Subd. 4. [SCHOOL DISTRICTS.] (a) 27.5 cents per taxable ton plus the increase provided in paragraph (d) must be allocated to qualifying school districts to be distributed, based upon the certification of the commissioner of revenue, under paragraphs (b) and (c).

(b) 5.5 cents per taxable ton must be distributed to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. The distribution must be based on the apportionment formula prescribed in subdivision 2.

(c)(i) 22 cents per taxable ton, less any amount distributed under paragraph (e), shall be distributed to a group of school districts comprised of those school districts in which the taconite was mined or quarried or the concentrate produced or in which there is a qualifying municipality as defined by section 273.134 in direct proportion to school district indexes as follows: for each school district, its pupil units determined under section 124.17 for the prior school year shall be multiplied by the ratio of the average adjusted net tax capacity per pupil unit for school districts receiving aid under this clause as calculated pursuant to chapter 124A for the school year ending prior to distribution to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that portion of the distribution which its index bears to the sum of the indices for all school districts that receive the distributions.

(ii) Notwithstanding clause (i), each school district that receives a distribution under sections 298.018; 298.23 to 298.28, exclusive of any amount received under this clause; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing a tax on severed mineral values that is less than the amount of its levy reduction under

section 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) \$175 times the pupil units identified in section 124.17, subdivision 1, enrolled in the second previous year or the 1983-1984 school year, whichever is greater, less the product of 1.8 percent times the district's taxable net tax capacity in the second previous year; times

(ii) the lesser of:

(A) one, or

(B) the ratio of the sum of the amount certified pursuant to section 124A.03, subdivision 2 1g, in the previous year, plus the amount certified pursuant to section 124A.03, subdivision 1i, in the previous year, plus the referendum aid according to section 124A.03, subdivision 1h, for the current year, to the product of 1.8 percent times the district's taxable net tax capacity in the second previous year.

If the total amount provided by paragraph (d) is insufficient to make the payments herein required then the entitlement of \$175 per pupil unit shall be reduced uniformly so as not to exceed the funds available. Any amounts received by a qualifying school district in any fiscal year pursuant to paragraph (d) shall not be applied to reduce general education aid which the district receives pursuant to section 124A.23 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph shall be paid to the commissioner of iron range resources and rehabilitation who shall deposit the same in the taconite environmental protection

fund and the northeast Minnesota economic protection trust fund as provided in subdivision 11.

Each district receiving money according to this paragraph shall reserve \$25 times the number of pupil units in the district. It may use the money only for outcome-based learning programs that enhance the academic quality of the district's curriculum. The programs must be approved by the commissioner of education.

(e) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

Sec. 28. [MORATORIUM ON REFERENDUM INCREASES.]

A school district or an education district may not conduct an election in 1991 under Minnesota Statutes, section 124A.03, subdivision 2, paragraph (a), or 124B.03, subdivision 2, paragraph (a), for property taxes payable in 1992. An election may be conducted under section 124A.03, subdivision 2, paragraph (c), or 124B.03, subdivision 2, paragraph (e).

Sec. 29. [1991 REFERENDUM APPROVAL.]

(a) Notwithstanding any law to the contrary, the commissioner of education may authorize referendum levy elections under Minnesota Statutes, section 124A.03, or any successor section for 1991 taxes payable in 1992.

(b) The aggregate amount of referendum levies authorized by the commissioner may not exceed \$10,000,000.

(c) A school district that desires to hold an election under Minnesota Statutes, section 124A.03, must submit an application to the commissioner by August 1, 1991.

(d) The commissioner shall prioritize applications and grant authority to hold an election to districts in the following order:

(1) districts that are in statutory operating debt and have an approved plan or have received an extension from the department to file a plan to eliminate the statutory operating debt;

(2) districts that have referendum levy authority expiring in fiscal year 1992 or that have a documented hardship; and

(3) all other districts.

(e) The commissioner must approve, deny, or modify each district's application for referendum levy authority by August 31, 1991.

Sec. 30. [BADGER SCHOOL DISTRICT FUND BALANCE.]

If independent school district No. 676, Badger, receives payment of delinquent property taxes and the payment is more than five percent of the total property taxes paid in the fiscal year in which the payment is received, general education revenue for the district shall not be reduced according to Minnesota Statutes, section 124A.26, subdivision 1, for an excess fund balance for the following two fiscal years.

Sec. 31. [LEVY RECOGNITION DIFFERENCES.]

For each school district that levies under Minnesota Statutes, section 124A.03, the commissioner of education shall calculate the difference between:

(a) the total amount of the levy, under Minnesota Statutes, section 124A.03, that is recognized as revenue for fiscal year 1992 according to section 1; and

(b) the amount of the levy, under Minnesota Statutes, section 124A.03, that would have been recognized as revenue for fiscal year 1992 had the percentage according to section 1 not been increased.

The commissioner shall reduce other aids due the district by the amount of the difference. The total reduction is transferred to the appropriation for general and supplemental education aid in this article.

Sec. 32. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [GENERAL AND SUPPLEMENTAL EDUCATION AID.] For general and supplemental education aid:

1,625,240,000 1992

1,725,543,000 1993

The 1992 appropriation includes \$247,302,000 for 1991 and \$1,377,938,000 for 1992.

The 1993 appropriation includes \$257,763,000 for 1992 and \$1,467,780,000 for 1993.

Sec. 33. [REPEALER.]

Minnesota Statutes 1990, sections 122.531, subdivision 5, and 124A.02, subdivision 19, are repealed.

Sec. 34. [EFFECTIVE DATE.]

Sections 6; 10, subdivisions 1c, 1f, 1g, and 1h; 15; and 16 are effective July 1, 1992.

Section 26 is effective July 1, 1992, and applies beginning with the 1992-1993 school year.

Sec. 35. [EFFECTIVE DATE.]

Section 17 is effective retroactively to July 1, 1989. Section 18, paragraph (b), is effective for revenue for 1993 and thereafter.

ARTICLE 2

TRANSPORTATION

Section 1. Minnesota Statutes 1990, section 120.062, subdivision 9, is amended to read:

Subd. 9. [TRANSPORTATION.] If requested by the parent of a pupil, the nonresident district shall provide transportation within the district. The state shall pay transportation aid to the district according to section 124.225.

The resident district is not required to provide or pay for transportation between the pupil's residence and the border of the nonresident district. A parent may be reimbursed by the nonresident district for the costs of transportation from the pupil's residence to the border of the nonresident district if the pupil is from a family whose income is at or below the poverty level, as determined by the federal government. The reimbursement may not exceed the pupil's actual cost of transportation or 15 cents per mile traveled, whichever is less. Reimbursement may not be paid for more than 250 miles per week.

At the time a nonresident district notifies a parent or guardian that an application has been accepted under subdivision 5 or 6, the nonresident district must provide the parent or guardian with the following information regarding the transportation of nonresident pupils under this section:

(1) a nonresident district may transport a pupil within the pupil's resident district under this section only with the approval of the resident district; and

(2) a parent or guardian of a pupil attending a nonresident district under this section may appeal under section 123.39, subdivision 6, the refusal of the resident district to allow the nonresident district to transport the pupil within the resident district.

Sec. 2. Minnesota Statutes 1990, section 123.3514, subdivision 8, is amended to read:

Subd. 8. [TRANSPORTATION.] A parent or guardian of a pupil enrolled in a course for secondary credit may apply to the pupil's district of residence for reimbursement for transporting the pupil between the secondary school in which the pupil is enrolled and the post-secondary institution that the pupil attends. The state board of education shall establish guidelines for providing state aid to districts to reimburse the parent or guardian for the necessary transportation costs, which shall be based on financial need. The reimbursement may not exceed the pupil's actual cost of transportation or 15 cents per mile traveled, whichever is less. Reimbursement may not be paid for more than 250 miles per week. However, if the nearest post-secondary institution is more than 25 miles from the pupil's resident secondary school, the weekly reimbursement may not exceed the reimbursement rate per mile times the actual distance between the secondary school and the nearest post-secondary institution times ten. The state shall pay aid to the district according to the guidelines established under this subdivision. Chapter 14 does not apply to the guidelines.

Sec. 3. Minnesota Statutes 1990, section 124.195, subdivision 11, is amended to read:

Subd. 11. [NONPUBLIC AIDS.] The state shall pay aid according to sections 123.931 to 123.947 for pupils attending nonpublic schools by October 31 of each fiscal year. If a payment advance to meet cash flow needs is requested by a district and approved by the commissioner, the state shall pay basic transportation aid according to section 124.225; ~~subdivision 8b~~ attributable to pupils attending nonpublic schools by October 31. This subdivision applies to both the final adjustment payment for the prior fiscal year and the payment for the current fiscal year, as established in subdivision 10.

Sec. 4. Minnesota Statutes 1990, section 124.223, subdivision 1, is amended to read:

Subdivision 1. [TO AND FROM SCHOOL; BETWEEN SCHOOLS.] (a) State transportation aid is authorized for transportation or board of resident elementary pupils who reside one mile or more from the public schools which they could attend; transportation or board of resident secondary pupils who reside two miles or more from the public schools which they could attend; transportation to and from schools the resident pupils attend according to a program approved by the commissioner of education, or between the

schools the resident pupils attend for instructional classes; transportation of resident elementary pupils who reside one mile or more from a nonpublic school actually attended; transportation of resident secondary pupils who reside two miles or more from a nonpublic school actually attended; but with respect to transportation of pupils to nonpublic schools actually attended, only to the extent permitted by sections 123.76 to 123.79; transportation of a pupil who is a custodial parent and that pupil's child between the pupil's home and the child care provider and between the provider and the school, if the home and provider are within the attendance area of the school. State transportation aid is not authorized for late transportation home from school for pupils involved in after school activities. State transportation aid is not authorized for summer program transportation except as provided in subdivision 8.

(b) For the purposes of this subdivision, a district may designate a licensed day care facility, respite care facility, the residence of a relative, or the residence of a person chosen by the pupil's parent or guardian as the home of a pupil for part or all of the day, if requested by the pupil's parent or guardian and if that facility or residence is within the attendance area of the school the pupil attends.

(c) State transportation aid is authorized for transportation to and from school of an elementary pupil who moves during the school year within an area designated by the district as a mobility zone, but only for the remainder of the school year. The attendance areas of schools in a mobility zone must be contiguous. To be in a mobility zone, a school must meet both of the following requirements:

(i) (1) more than 50 percent of the pupils enrolled in the school are eligible for free or reduced school lunch; and

(ii) (2) the pupil withdrawal rate for the last year is more than 12 percent.

(d) A pupil withdrawal rate is determined by dividing:

(i) (1) the sum of the number of pupils who withdraw from the school, during the school year, and the number of pupils enrolled in the school as a result of transportation provided under this paragraph, by

(ii) (2) the number of pupils enrolled in the school.

(e) The district may establish eligibility requirements for individual pupils to receive transportation in the mobility zone.

Sec. 5. Minnesota Statutes 1990, section 124.223, subdivision 8, is amended to read:

Subd. 8. [SUMMER INSTRUCTIONAL PROGRAMS.] State transportation aid is authorized for services described in subdivisions 1 to 7, 9, and 10 when provided for handicapped pupils in conjunction with a summer program that meets the requirements of section 124A.27, subdivision 9. State transportation aid is authorized for services described in subdivision 1 when provided during the summer in conjunction with a learning year program established under section 121.585.

Sec. 6. Minnesota Statutes 1990, section 124.225, subdivision 1, is amended to read:

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

(a) "FTE" means a transported full-time equivalent pupil whose transportation is authorized for aid purposes by section 124.223.

(b) "Authorized cost for regular transportation" means the sum of:

(1) all expenditures for transportation in the regular category, as defined in paragraph (e) (c), clause (1), for which aid is authorized in section 124.223, plus

(2) an amount equal to one year's depreciation on the district's school bus fleet and mobile units computed on a straight line basis at the rate of 12-1/2 percent per year of the cost of the fleet, plus

(3) an amount equal to one year's depreciation on district school buses reconditioned by the department of corrections computed on a straight line basis at the rate of 33-1/3 percent per year of the cost to the district of the reconditioning, plus

(4) an amount equal to one year's depreciation on the district's type three school buses, as defined in section 169.44, subdivision 15, which were purchased after July 1, 1982, for authorized transportation of pupils, with the prior approval of the commissioner, computed on a straight line basis at the rate of 20 percent per year of the cost of the type three school buses.

(c) "Adjusted authorized predicted cost per FTE" means the authorized cost predicted by a multiple regression formula determined by the department of education and adjusted pursuant to subdivision 7a.

(d) "Regular transportation allowance" for the 1989-1990 school year means the adjusted authorized predicted cost per FTE, inflated pursuant to subdivision 7b.

(e) ~~For purposes of this section,~~ "Transportation category" means a category of transportation service provided to pupils as follows:

(1) Regular transportation is transportation services provided during the regular school year under section 124.223, subdivisions 1 and 2, excluding the following transportation services provided under section 124.223, subdivision 1: transportation between schools; noon transportation to and from school for kindergarten pupils attending half-day sessions; ~~late transportation home from school for pupils involved in after school activities;~~ transportation of pupils to and from schools located outside their normal attendance areas under the provisions of a plan for desegregation mandated by the state board of education or under court order; and transportation of elementary pupils to and from school within a mobility zone.

(2) Nonregular transportation is transportation services provided under section 124.223, subdivision 1, that are excluded from the regular category, and transportation services provided under section 124.223, subdivisions 3, 4, 5, 6, 7, 8, 9, and 10.

(3) Excess transportation is transportation to and from school during the regular school year for secondary pupils residing at least one mile but less than two miles from the public school they could attend or from the nonpublic school actually attended, and transportation to and from school for pupils residing less than one mile from school who are transported because of extraordinary traffic, drug, or crime hazards; ~~and.~~

(4) Desegregation transportation is transportation during the regular school year of pupils to and from schools located outside their normal attendance areas under a plan for desegregation mandated by the state board or under court order.

(5) Handicapped transportation is transportation provided under section 124.223, subdivision 4, for handicapped pupils between home or a respite care facility and school or other buildings where special instruction required by section 120.17 is provided.

(~~f~~) (d) "Mobile unit" means a vehicle or trailer designed to provide facilities for educational programs and services, including diagnostic testing, guidance and counseling services, and health services. A mobile unit located off nonpublic school premises is a neutral site as defined in section 123.932, subdivision 9.

(~~g~~) (e) "Current year" means the school year for which aid will be paid.

(~~h~~) (f) "Base year" means the second school year preceding the school year for which aid will be paid.

(i) ~~(g)~~ "Base cost" for the 1986-1987 and 1987-1988 base years means the ratio of:

(1) the sum of:

(i) the authorized cost in the base year for regular transportation as defined in clause (b); plus

(ii) the actual cost in the base year for excess transportation as defined in paragraph (e); clause (3);

(2) to the sum of:

(i) the number of FTE pupils transported in the regular category in the base year; plus

(ii) the number of FTE pupils transported in the excess category in the base year.

(j) ~~Base cost for the 1988-1989 base year and later years~~ means the ratio of:

(1) the sum of the authorized cost in the base year for regular transportation as defined in ~~clause~~ paragraph (b) plus the actual cost in the base year for excess transportation as defined in ~~clause~~ paragraph (e);

(2) to the sum of the number of weighted FTE pupils transported in the regular and excess categories in the base year.

(k) "Predicted base cost" for the 1986-1987 and 1987-1988 base years means the base cost as predicted by subdivision 3.

(l) "Predicted base cost" for the 1988-1989 base year and later years means the predicted base cost as computed in subdivision 3a.

~~(m)~~ (h) "Pupil weighting factor" for the excess transportation category for a school district means the lesser of one, or the result of the following computation:

(1) Divide the square mile area of the school district by the number of FTE pupils transported in the regular and excess categories in the base year;

(2) Raise the result in clause (1) to the one-fifth power;

(3) Divide four-tenths by the result in clause (2).

The pupil weighting factor for the regular transportation category is one.

(n) (i) "Weighted FTE's" means the number of FTE's in each transportation category multiplied by the pupil weighting factor for that category.

(o) (j) "Sparsity index" for a school district means the greater of .005 or the ratio of the square mile area of the school district to the sum of the number of weighted FTE's transported by the district in the regular and excess categories in the base year.

(p) (k) "Density index" for a school district means the greater of one or the result obtained by subtracting the product of the district's sparsity index times 20 from two.

(q) (l) "Contract transportation index" for a school district means the greater of one or the result of the following computation:

(1) Multiply the district's sparsity index by 20;

(2) Select the lesser of one or the result in clause (1);

(3) Multiply the district's percentage of regular FTE's transported in the current year using vehicles that are not owned by the school district by the result in clause (2).

(r) (m) "Adjusted predicted base cost" for the 1988-1989 base year and after means the predicted base cost as computed in subdivision 3a as adjusted under subdivision 7a.

(s) (n) "Regular transportation allowance" for the 1990-1991 school year and after means the adjusted predicted base cost, inflated and adjusted under subdivision 7b.

(t) "Minimum regular transportation allowance" for the 1990-1991 school year and after means the result of the following computation:

(1) compute the sum of the district's basic transportation aid for the 1989-1990 school year according to subdivision 8a and the district's excess transportation levy for the 1989-1990 school year according to section 275.125, subdivision 5c, clause (a);

(2) divide the result in clause (1) by the sum of the number of weighted FTE's transported by the district in the regular and excess transportation categories in the 1989-1990 school year;

(3) select the lesser of the result in clause (2) or the district's base cost for the 1989-1990 base year according to paragraph (j).

Sec. 7. Minnesota Statutes 1990, section 124.225, subdivision 3a, is amended to read:

Subd. 3a. [PREDICTED BASE COST.] A district's predicted base cost for the ~~1988-1989 base year and later years~~ equals the result of the following computation:

(a) Multiply the transportation formula allowance by the district's sparsity index raised to the one-fourth power. The transportation formula allowance is ~~\$406 for the 1988-1989 base year and~~ \$421 for the 1989-1990 base year and \$434 for the 1990-1991 base year.

(b) Multiply the result in ~~clause~~ paragraph (a) by the district's density index raised to the $35/100$ power.

(c) Multiply the result in ~~clause~~ paragraph (b) by the district's contract transportation index raised to the $1/20$ power.

Sec. 8. Minnesota Statutes 1990, section 124.225, subdivision 7a, is amended to read:

Subd. 7a. [BASE YEAR SOFTENING FORMULA.] ~~Each district's predicted base cost determined for the 1986-1987 and 1987-1988 base years according to subdivision 3 shall be adjusted as provided in this subdivision to determine the district's adjusted authorized predicted cost per FTE for that year.~~

(a) ~~If the base cost of the district is within five percent of the predicted base cost, the district's adjusted authorized predicted cost per FTE shall be equal to the base cost.~~

(b) ~~If the base cost of the district is more than five percent greater than the predicted base cost, the district's adjusted authorized predicted cost per FTE shall be equal to 105 percent of the predicted base cost, plus 40 percent of the difference between (i) the base cost, and (ii) 105 percent of the predicted base cost. However, in no case shall a district's adjusted authorized predicted cost per FTE be less than 80 percent of base cost.~~

(c) ~~If the base cost of the district is more than five percent less than the predicted base cost, the district's adjusted authorized predicted cost per FTE shall be equal to 95 percent of the predicted base cost, minus 40 percent of the difference between (i) 95 percent of predicted base cost, and (ii) the base cost. However, in no case shall a district's adjusted authorized predicted cost per FTE be more than 120 percent of base cost.~~

(d) ~~For the 1988-1989 base year and later years, Each district's predicted base cost determined according to subdivision 3a must be adjusted as provided in this subdivision to determine the district's~~

adjusted predicted base cost for that year. The adjusted predicted base cost equals 50 percent of the district's base cost plus 50 percent of the district's predicted base cost, but the adjusted predicted base cost cannot be less than 80 percent, nor more than ~~110~~ 105 percent, of the base cost.

Sec. 9. Minnesota Statutes 1990, section 124.225, subdivision 7b, is amended to read:

Subd. 7b. [INFLATION FACTORS.] ~~The adjusted authorized predicted cost per FTE determined for a district under subdivision 7a for the base year shall be increased by 4.1 percent to determine the district's regular transportation allowance for the 1988-1989 school year and by 5.8 percent to determine the district's regular transportation allowance for the 1989-1990 school year. The adjusted predicted base cost determined for a district under subdivision 7a for the base year must be increased by 5.4~~ 4.0 percent to determine the district's regular transportation allowance for the ~~1990-1991~~ 1991-1992 school year and by 2.0 percent to determine the district's regular transportation allowance for the 1992-1993 school year, but the regular transportation allowance for a district cannot be less than the district's minimum regular transportation allowance according to Minnesota Statutes 1990, section 124.225, subdivision 1, paragraph (t).

Sec. 10. Minnesota Statutes 1990, section 124.225, subdivision 7d, is amended to read:

Subd. 7d. [TRANSPORTATION REVENUE.] ~~Beginning in the 1990-1991 school year, the~~ Transportation revenue for each district equals the sum of the district's regular transportation revenue and the district's nonregular transportation revenue.

(a) The regular transportation revenue for each district equals the district's regular transportation allowance according to subdivision 7b times the sum of the number of FTE's transported by the district in the regular and, desegregation, and handicapped categories in the current school year.

(b) The nonregular transportation revenue for each district for the 1991-1992 school year equals the lesser of the district's actual costs in the 1991-1992 school year for nonregular transportation services or the product of the district's actual cost in the current 1990-1991 school year for nonregular transportation services as defined for the 1991-1992 school year in subdivision 1, paragraph (c), times the ratio of the district's average daily membership for the 1991-1992 school year to the district's average daily membership for the 1990-1991 school year according to section 124.17, subdivision 2, times 1.03, minus the amount of regular transportation revenue attributable to FTE's transported in the desegregation category and handicapped categories in the current school year, plus the excess

nonregular transportation revenue for the 1991-1992 school year according to subdivision 7e.

(c) For the 1992-1993 and later school years, the nonregular transportation revenue for each district equals the lesser of the district's actual cost in the current school year for nonregular transportation services or the product of the district's actual cost in the base year for nonregular transportation services as defined for the current year in subdivision 1, paragraph (c), times the ratio of the district's average daily membership for the current year to the district's average daily membership for the base year according to section 124.17, subdivision 2, times the nonregular transportation inflation factor for the current year, minus the amount of regular transportation revenue attributable to FTE's transported in the desegregation and handicapped categories in the current school year, plus the excess nonregular transportation revenue for the current year according to subdivision 7e. The nonregular transportation inflation factor for the 1992-1993 school year is 1.061.

Sec. 11. Minnesota Statutes 1990, section 124.225, is amended by adding a subdivision to read:

Subd. 7e. [EXCESS NONREGULAR TRANSPORTATION REVENUE.] (a) A district's excess nonregular transportation revenue for the 1991-1992 school year equals an amount equal to 80 percent of the difference between:

(1) the district's actual cost in the 1991-1992 school year for nonregular transportation services as defined for the 1991-1992 school year in subdivision 1, paragraph (c), and

(2) the product of the district's actual cost in the 1990-1991 school year for nonregular transportation services as defined for the 1991-1992 school year in subdivision 1, paragraph (c), times 1.15, times the ratio of the district's average daily membership for the 1991-1992 school year to the district's average daily membership for the 1990-1991 school year.

(b) A district's excess nonregular transportation revenue for the 1992-1993 school year and later school years equals an amount equal to 80 percent of the difference between:

(1) the district's actual cost in the current year for nonregular transportation services as defined for the current year in subdivision 1, paragraph (c), and

(2) the product of the district's actual cost in the base year for nonregular transportation services as defined for the current year in subdivision 1, paragraph (c), times 1.30, times the ratio of the

district's average daily membership for the current year to the district's average daily membership for the base year.

(c) The state total excess nonregular transportation revenue must not exceed \$2,000,000 for the 1991-1992 school year and \$2,000,000 for the 1992-1993 school year. If the state total revenue according to paragraph (a) or (b) exceeds the limit set in this paragraph, the excess nonregular transportation revenue for each district equals the district's revenue according to paragraph (a) or (b), times the ratio of the limitation set in this paragraph to the state total revenue according to paragraph (a) or (b).

Sec. 12. Minnesota Statutes 1990, section 124.225, subdivision 8a, is amended to read:

Subd. 8a. [TRANSPORTATION AID.] ~~(a) For the 1988-1989 and 1989-1990 school years, a district's transportation aid is equal to the sum of its basic transportation aid under subdivision 8b, its nonregular transportation aid under subdivision 8i, and its nonregular transportation levy equalization aid under subdivision 8j, minus its contracted services aid reduction under subdivision 8k and minus its basic transportation levy limitation for the levy attributable to that school year under section 275.125, subdivision 5.~~

~~(b) For 1990-1991 and later school years, A district's transportation aid equals the product of:~~

~~(1) the difference between the transportation revenue and the sum of:~~

~~(i) the maximum basic transportation levy for that school year under section 275.125, subdivision 5, plus~~

~~(ii) the maximum nonregular transportation levy for that school year under section 275.125, subdivision 5c, plus~~

~~(iii) the contracted services aid reduction under subdivision 8k,~~

~~(2) times the ratio of the sum of the actual amounts levied under section 275.125, subdivisions 5 and 5c, to the sum of the permitted maximum levies under section 275.125, subdivisions 5 and 5c.~~

~~(e) (b) If the total appropriation for transportation aid for any fiscal year is insufficient to pay all districts the full amount of aid earned, the department of education shall reduce each district's aid in proportion to the number of resident pupils in average daily membership in the district to the state total average daily membership, and shall reduce the transportation levy of off-formula districts in the same proportion.~~

Sec. 13. Minnesota Statutes 1990, section 124.225, subdivision 8k, is amended to read:

Subd. 8k. [CONTRACTED SERVICES AID REDUCTION.] (a) Each year, a district's transportation aid shall be reduced according to the provisions of this subdivision, if the district contracted for some or all of the transportation services provided in the regular category.

~~(b) For the 1988-1989 and 1989-1990 school years, the department of education shall compute this subtraction by conducting the multiple regression analysis specified in subdivision 3 and computing the district's aid under two circumstances, once including the coefficient of the factor specified in subdivision 4b, clause (3), and once excluding the coefficient of that factor. The aid subtraction shall equal the difference between the district's aid computed under these two circumstances.~~

~~(c) For 1990-1991 and later school years, The department of education shall determine the subtraction by computing the district's regular transportation revenue, excluding revenue based on the district's minimum regular transportation allowance according to Minnesota Statutes 1990, section 124.225, subdivision 1, paragraph (t), under two circumstances, once including the factor specified in subdivision 3a, ~~clause~~ paragraph (c), and once excluding the factor. The aid subtraction equals the difference between the district's revenue computed under the two circumstances.~~

Sec. 14. Minnesota Statutes 1990, section 124.225, subdivision 10, is amended to read:

Subd. 10. [DEPRECIATION.] Any school district that owns school buses or mobile units shall transfer annually from the undesignated fund balance account in its transportation fund to the reserved fund balance account for bus purchases in its transportation fund at least an amount equal to 12-1/2 percent of the original cost of each type one or type two bus or mobile unit until the original cost of each type one or type two bus or mobile unit is fully amortized, plus 20 percent of the original cost of each type three bus included in the district's authorized cost under the provisions of subdivision 1, paragraph (b), clause (4), until the original cost of each type three bus is fully amortized, plus 33-1/3 percent of the cost to the district as of July 1 of each year for school bus reconditioning done by the department of corrections until the cost of the reconditioning is fully amortized; provided, if the district's transportation aid or levy is reduced pursuant to subdivision 8a because the appropriation for that year is insufficient, this amount shall be reduced in proportion to the reduction pursuant to subdivision 8a as a percentage of the district's transportation revenue under subdivision 7e 7d.

Sec. 15. Minnesota Statutes 1990, section 275.125, subdivision 5, is amended to read:

Subd. 5. [BASIC TRANSPORTATION LEVY.] Each year, a school district may levy for school transportation services an amount not to exceed the amount raised by the basic transportation tax rate times the adjusted net tax capacity of the district for the preceding year. ~~The basic transportation tax rate for fiscal year 1991 is 2.04 percent. Beginning in 1990,~~ The commissioner of revenue shall establish the basic transportation tax rate and certify it to the commissioner of education by July 1 of each year for levies payable in the following year. The basic transportation tax rate shall be a rate, rounded up to the nearest hundredth of a percent, that, when applied to the adjusted net tax capacity of taxable property for all districts, raises the amount specified in this subdivision. The basic transportation tax rate for transportation shall be the rate that raises \$66,700,000 \$64,300,000 for fiscal year 1993 and \$68,000,000 for fiscal year 1992 1994 and subsequent fiscal years. The basic transportation tax rate certified by the commissioner of revenue must not be changed due to changes or corrections made to a district's adjusted net tax capacity after the tax rate has been certified.

Sec. 16. Minnesota Statutes 1990, section 275.125, subdivision 5b, is amended to read:

Subd. 5b. [TRANSPORTATION LEVY OFF-FORMULA ADJUSTMENT.] (a) ~~In the 1989 and 1990 fiscal years, if the basic transportation levy under subdivision 5 in a district attributable to the fiscal year exceeds the transportation aid computation under section 124.225, subdivisions 8b, 8i, 8j, and 8k, the district's levy limitation shall be adjusted as provided in this subdivision. In the second year following each fiscal year, the district's transportation levy shall be reduced by an amount equal to the difference between (1) the amount of the basic transportation levy under subdivision 5, and (2) the sum of the district's transportation aid computation pursuant to section 124.225, subdivisions 8b, 8i, 8j, and 8k, and the amount of any subtraction made from special state aids pursuant to section 124.2138, subdivision 2, less the amount of any aid reduction due to an insufficient appropriation as provided in section 124.225, subdivision 8a.~~

(b) ~~For 1991 and later fiscal years, In a district if the basic transportation levy under subdivision 5 attributable to that fiscal year is more than the difference between (1) the district's transportation revenue under section 124.225, subdivision 7e 7d, and (2) the sum of the district's maximum nonregular levy under subdivision 5c and the district's contracted services aid reduction under section 124.225, subdivision 8k, and the amount of any reduction due to insufficient appropriation under section 124.225, subdivision 8a, the district's transportation levy in the second year following each fiscal year must be reduced by the amount of the excess.~~

Sec. 17. Minnesota Statutes 1990, section 275.125, subdivision 5c, is amended to read:

Subd. 5c. [NONREGULAR TRANSPORTATION LEVY.] A school district may also make a levy for unreimbursed nonregular transportation costs pursuant to this subdivision. The amount of the levy shall be the result of the following computation:

(a) multiply

(1) the amount of the district's nonregular transportation revenue under section 124.225, subdivision 7e 7d, that is more than the product of ~~\$30~~ \$60 times the district's actual pupil units average daily membership, by

(2) ~~60~~ 50 percent;

(b) subtract the result in clause (a) from the district's total nonregular transportation revenue;

(c) multiply the result in clause (b) by the lesser of one or the ratio of (i) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the actual pupil units average daily membership in the district for the school year to which the levy is attributable, to (ii) ~~\$7,258~~ \$8,000.

Sec. 18. [LEVY ADJUSTMENT.]

The department of education shall adjust the 1991 levy for each school district by the amount of the change in the district's nonregular transportation levy for fiscal year 1992 according to Minnesota Statutes, section 275.125, subdivision 5c, resulting from the changes to nonregular transportation revenue and levy under sections 5, 10, 11, and 17. Notwithstanding Minnesota Statutes, section 121.904, the entire amount of this levy must be recognized as revenue for fiscal year 1992.

Sec. 19. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [TRANSPORTATION AID.] For transportation aid according to Minnesota Statutes, section 124.225:

\$116,340,000 1992

\$123,133,000 1993

The 1992 appropriation includes \$17,679,000 for 1991 and \$98,661,000 for 1992.

The 1993 appropriation includes \$17,146,000 for 1992 and \$105,987,000 for 1993.

\$1,500,000 in fiscal year 1992 and \$1,000,000 in fiscal year 1993 are for desegregation costs not funded in the regular or nonregular transportation formulas. The department shall allocate these amounts in proportion to the unfunded desegregation costs. Any excess of the 1992 amount is not available for transfer under Minnesota Statutes, section 124.14, subdivision 7 and is available for unfunded desegregation costs in 1993.

Subd. 3. [TRANSPORTATION AID FOR POST-SECONDARY ENROLLMENT OPTIONS.] For transportation of pupils attending post-secondary institutions according to Minnesota Statutes, section 123.3514:

\$45,000 1992

\$45,000 1993

Subd. 4. [TRANSPORTATION AID FOR ENROLLMENT OPTIONS.] For transportation of pupils attending nonresident districts according to Minnesota Statutes, section 120.0621:

\$15,000 1992

\$15,000 1993

Subd. 5. [TRANSFER AUTHORITY.] If the appropriation in subdivision 3 or 4 for either year exceeds the amount needed to pay the state's obligation for that year under that subdivision, the excess amount may be used to make payments for that year under the other subdivision.

Subd. 6. [TRANSFER AUTHORITY: FISCAL YEAR 1990 APPROPRIATION.] If the appropriation in Laws 1989, chapter 329, article 2, section 8, subdivision 3 or 4 for fiscal year 1990, exceeds the amount needed to pay the state's obligation under that subdivision, the excess amount may be used to make payments under the other subdivision.

Sec. 20. [REPEALER.]

Minnesota Statutes 1990, section 124.225, subdivisions 3, 4b, 7c, 8b, 8i, and 8j, are repealed.

Sec. 21. [EFFECTIVE DATE.]

Section 19, subdivision 6, is effective the day following final enactment.

ARTICLE 3
SPECIAL PROGRAMS

Section 1. Minnesota Statutes 1990, section 120.17, subdivision 3b, is amended to read:

Subd. 3b. [PROCEDURES FOR DECISIONS.] Every district shall utilize at least the following procedures for decisions involving identification, assessment, and educational placement of handicapped children:

(a) Parents and guardians shall receive prior written notice of:

(1) any proposed formal educational assessment or proposed denial of a formal educational assessment of their child;

(2) a proposed placement of their child in, transfer from or to, or denial of placement in a special education program; or

(3) the proposed provision, addition, denial or removal of special education services for their child;

(b) The district shall not proceed with the initial formal assessment of a child, the initial placement of a child in a special education program, or the initial provision of special education services for a child without the prior written consent of the child's parent or guardian. The refusal of a parent or guardian to consent may be overridden by the decision in a hearing held pursuant to clause ~~(d)~~ (e) at the district's initiative;

(c) Parents and guardians shall have an opportunity to meet with appropriate district staff in at least one conciliation conference if they object to any proposal of which they are notified pursuant to clause (a). The conciliation process shall not be used to deny or delay a parent or guardian's right to a due process hearing. If the parent or guardian refuses efforts by the district to conciliate the dispute with the school district, the requirement of an opportunity for conciliation shall be deemed to be satisfied;

(d) The commissioner shall establish a mediation process to assist parents, school districts, or other parties to resolve disputes arising out of the identification, assessment, or educational placement of handicapped children. The mediation process must be offered as an informal alternative to the due process hearing provided under clause (e), but must not be used to deny or postpone the opportunity of a parent or guardian to obtain a due process hearing.

(e) Parents, guardians, and the district shall have an opportunity to obtain an impartial due process hearing initiated and conducted by and in the school district responsible for assuring that an appropriate program is provided in accordance with state board rules, if the parent or guardian continues to object to:

(1) a proposed formal educational assessment or proposed denial of a formal educational assessment of their child;

(2) the proposed placement of their child in, or transfer of their child to a special education program;

(3) the proposed denial of placement of their child in a special education program or the transfer of their child from a special education program;

(4) the proposed provision or addition of special education services for their child; or

(5) the proposed denial or removal of special education services for their child.

At least five calendar days before the hearing, the objecting party shall provide the other party with a brief written statement of the objection and the reasons for the objection.

The hearing shall take place before an impartial hearing officer mutually agreed to by the school board and the parent or guardian. If the school board and the parent or guardian are unable to agree on a hearing officer, the school board shall request the commissioner to appoint a hearing officer. The hearing officer shall not be a school board member or employee of the school district where the child resides or of the child's school district of residence, an employee of any other public agency involved in the education or care of the child, or any person with a personal or professional interest which would conflict with the person's objectivity at the hearing. A person who otherwise qualifies as a hearing officer is not an employee of the district solely because the person is paid by the district to serve as a hearing officer. If the hearing officer requests an independent educational assessment of a child, the cost of the assessment shall be at district expense. The proceedings shall be recorded and preserved, at the expense of the school district, pending ultimate disposition of the action.

(e) (f) The decision of the hearing officer pursuant to clause (d) (e) shall be rendered not more than 45 calendar days from the date of the receipt of the request for the hearing. A hearing officer may grant specific extensions of time beyond the 45-day period at the request of either party. The decision of the hearing officer shall be binding on all parties unless appealed to the hearing review officer

by the parent, guardian, or the school board of the district where the child resides pursuant to clause ~~(f)~~ (g).

The local decision shall:

(1) be in writing;

(2) state the controlling facts upon which the decision is made in sufficient detail to apprise the parties and the hearing review officer of the basis and reason for the decision;

(3) state whether the special education program or special education services appropriate to the child's needs can be reasonably provided within the resources available to the responsible district or districts;

(4) state the amount and source of any additional district expenditure necessary to implement the decision; and

(5) be based on the standards set forth in subdivision 3a and the *rules of the state board*.

~~(f)~~ (g) Any local decision issued pursuant to clauses ~~(d)~~ (e) and ~~(e)~~ (f) may be appealed to the hearing review officer within 30 calendar days of receipt of that written decision, by the parent, guardian, or the school board of the district responsible for assuring that an appropriate program is provided in accordance with state board rules.

If the decision is appealed, a written transcript of the hearing shall be made by the school district and shall be accessible to the parties involved within five calendar days of the filing of the appeal. The hearing review officer shall issue a final independent decision based on an impartial review of the local decision and the entire record within ~~30~~ 60 calendar days after the filing of the appeal. The hearing review officer shall seek additional evidence if necessary and may afford the parties an opportunity for written or oral argument; provided any hearing held to seek additional evidence shall be an impartial due process hearing but shall be deemed not to be a contested case hearing for purposes of chapter 14. The hearing review officer may grant specific extensions of time beyond the 30-day period at the request of any party.

The final decision shall:

(1) be in writing;

(2) include findings and conclusions; and

(3) be based upon the standards set forth in subdivision 3a and in the rules of the state board.

~~(g)~~ (h) The decision of the hearing review officer shall be final unless appealed by the parent or guardian or school board to the court of appeals. The judicial review shall be in accordance with chapter 14.

~~(h)~~ (i) The commissioner of education, ~~having delegated general supervision of special education to the appropriate staff,~~ shall be select an individual who has the qualifications enumerated in this paragraph to serve as the hearing review officer except for appeals in which:

(1) ~~the commissioner has individual~~ must be knowledgeable and impartial;

(2) ~~the individual must not have~~ a personal interest in or specific involvement with the student who is a party to the hearing;

~~(2)~~ (3) ~~the commissioner has individual~~ must not have been employed as an administrator by the district that is a party to the hearing;

~~(3)~~ (4) ~~the commissioner has individual~~ must not have been involved in the selection of the administrators of the district that is a party to the hearing;

(4) (5) ~~the commissioner has individual~~ must not have a personal, economic, or professional interest in the outcome of the hearing other than the proper administration of the federal and state laws, rules, and policies;

(5) (6) ~~the appeal challenges individual~~ must not have substantial involvement in the development of a state or local policy which was developed with substantial involvement of the commissioner; or procedures that are challenged in the appeal;

(6) ~~the appeal challenges the actions of a department employee or official.~~

For any appeal to which the above exceptions apply, the state board of education shall name an impartial and competent hearing review officer and

(7) the individual is not a current employee or board member of a Minnesota public school district, education district, intermediate unit or regional education agency, the state department of education, the state board of education, or a parent advocacy organization or group.

(j) In all appeals, the parent or guardian of the handicapped student or the district that is a party to the hearing may challenge the impartiality or competence of the proposed hearing review officer by applying to the state board of education.

(k) Pending the completion of proceedings pursuant to this subdivision, unless the district and the parent or guardian of the child agree otherwise, the child shall remain in the child's current educational placement and shall not be denied initial admission to school.

(l) The child's school district of residence, a resident district, and providing district shall receive notice of and may be a party to any hearings or appeals under this subdivision.

Sec. 2. Minnesota Statutes 1990, section 120.17, subdivision 7a, is amended to read:

Subd. 7a. [ATTENDANCE AT SCHOOL FOR THE HANDICAPPED.] Responsibility for special instruction and services for a visually disabled or hearing impaired child attending the Minnesota state academy for the deaf or the Minnesota state academy for the blind shall be determined in the following manner:

(a) The legal residence of the child shall be the school district in which the child's parent or guardian resides.

(b) When it is determined pursuant to section 128A.05, subdivision 1 or 2 that the child is entitled to attend either school, the state board shall provide the appropriate educational program for the child. The state board shall make a tuition charge to the child's district of residence for the cost of providing the program. The amount of tuition charged shall not exceed the basic revenue of the district for that child, for the amount of time the child is in the program. For purposes of this subdivision, "basic revenue" has the meaning given it in section 124A.22, subdivision 2. The district of the child's residence shall pay the tuition and may claim general education aid for the child. The district of the child's residence shall not receive aid pursuant to section 124.32, subdivision 5, for tuition paid pursuant to this subdivision. All Tuition received by the state board, except for tuition received under clause (c), shall be deposited in the state treasury as provided in clause (g).

(c) In addition to the tuition charge allowed in clause (b), the academies may charge the child's district of residence for the academy's unreimbursed cost of providing an instructional aide assigned to that child, if that aide is required by the child's individual education plan. Tuition received under this clause must be used by the academies to provide the required service.

(e) (d) When it is determined that the child can benefit from public school enrollment but that the child should also remain in attendance at the applicable school, the school district where the institution is located shall provide an appropriate educational program for the child and shall make a tuition charge to the state board for the actual cost of providing the program, less any amount of aid received pursuant to section 124.32. The state board shall pay the tuition and other program costs including the unreimbursed transportation costs. Aids for handicapped children shall be paid to the district providing the special instruction and services. Special transportation shall be provided by the district providing the educational program and the state shall reimburse such district within the limits provided by law.

(d) (e) Notwithstanding the provisions of clauses (b) and (e) (d), the state board may agree to make a tuition charge for less than the amount specified in clause (b) for pupils attending the applicable school who are residents of the district where the institution is located and who do not board at the institution, if that district agrees to make a tuition charge to the state board for less than the amount specified in clause (e) (d) for providing appropriate educational programs to pupils attending the applicable school.

(e) (f) Notwithstanding the provisions of clauses (b) and (e) (d), the state board may agree to supply staff from the Minnesota state academy for the deaf and the Minnesota state academy for the blind to participate in the programs provided by the district where the institutions are located when the programs are provided to students in attendance at the state schools.

(g) On May 1 of each year, the state board shall count the actual number of Minnesota resident elementary students and the actual number of Minnesota resident secondary students enrolled and receiving education services at the Minnesota state academy for the deaf and the Minnesota state academy for the blind. The state board shall deposit in the state treasury an amount equal to all tuition received less:

(1) the total number of students on May 1 less 175, times the ratio of the number of elementary students to the total number of students on May 1, times the general education formula allowance; plus

(2) the total number of students on May 1 less 175, times the ratio of the number of secondary students on May 1 to the total number of students on May 1, times 1.3, times the general education formula allowance.

(h) The sum provided by the calculation in clause (g), subclauses (1) and (2), must be deposited in the state treasury and credited to

the general operation account of the academy for the deaf and the academy for the blind.

(i) There is annually appropriated to the department of education for the Faribault academies the tuition amounts received and credited to the general operation account of the academies under this section.

Sec. 3. [120.173] [ALTERNATIVE DELIVERY OF SPECIALIZED INSTRUCTIONAL SERVICES.]

Subdivision 1. [COMMISSIONER APPROVAL.] The commissioner of education may approve applications from school districts to provide prevention services as an alternative to special education and other compensatory programs during three school years. A district with an approved program may provide instruction and services in a regular education classroom to eligible pupils. Pupils eligible to participate in the program are low-performing pupils who, based on documented experience, the professional judgment of a classroom teacher, or a team of licensed professionals, would eventually qualify for special education instruction or related services under section 120.17 if the intervention services authorized by this section were unavailable. Pupils may be provided services during extended school days and throughout the entire year.

Subd. 2. [APPLICATION CONTENTS.] The application must set forth:

(1) instructional services available to eligible pupils under section 124.311, subdivision 3, and handicapped pupils under section 120.03;

(2) criteria to select pupils for the program and the assessment procedures to determine eligibility;

(3) involvement in the program of parents of pupils in the program, parent advocates, and community special education advocates;

(4) accounting procedures to document that federal special education money is used to supplement or increase the level of special education instruction and related services provided with state and local revenue, but in no case to supplant the state and local revenue, and that districts are expending at least the amount for special education instruction and related services required by federal law;

(5) the role of regular and special education teachers in planning and implementing the program; and

(6) other information requested by the commissioner.

Subd. 3. [EVALUATION.] The application shall also set forth the review and evaluation procedures to be used by the district addressing at least the following:

- (1) the number of handicapped and nonhandicapped pupils served;
- (2) the impact of the program on the academic progress and social adjustment of the pupils;
- (3) the level of satisfaction teachers, parents, and pupils have with the program;
- (4) the effect of the program on the number of referrals for special education, federal chapter 1, and other programs;
- (5) the amount of time spent by teachers on procedural activities;
- (6) the increased amount of time the pupil is in a regular education classroom; and
- (7) cost implications.

Subd. 4. [REVIEW FOR EXCESS EXPENDITURES.] The commissioner shall review each application to determine whether the personnel, equipment, supplies, residential aid, and summer school are necessary to meet the district's obligation to provide special instruction and services to handicapped children according to section 120.17. The commissioner shall not approve revenue for any expenditures determined to be unnecessary.

Subd. 5. [ANNUAL REPORT.] Each year the district must submit to the commissioner a report containing the information described in subdivision 3 and section 124.311, subdivision 7.

Subd. 6. [PUPIL RIGHTS.] A pupil participating in the program must be individually evaluated according to the pupil's actual abilities and needs. A pupil who is eligible for services under section 120.17 is entitled to procedural protections provided under Public Law Number 94-142 in any matter that affects the identification, evaluation, placement, or change in placement of a pupil. The district must ensure the protection of a pupil's civil rights, provide equal educational opportunities, and prohibit discrimination. Failure to comply with this subdivision will at least cause a district to become ineligible to participate in the program. Notwithstanding rules of the state board of education, a pupil's rights under this section cannot be waived by the state board.

Sec. 4. Minnesota Statutes 1990, section 120.181, is amended to read:

120.181 [TEMPORARY PLACEMENTS FOR CARE AND TREATMENT OF NONHANDICAPPED PUPILS.]

The responsibility for providing instruction and transportation for a nonhandicapped pupil who has a short-term or temporary physical or emotional illness or disability, as determined by the standards of the state board, and who is temporarily placed for care and treatment for that illness or disability, shall be determined in the following manner:

(a) The school district of residence of the pupil shall be the district in which the pupil's parent or guardian resides or the district designated by the commissioner of education if neither parent nor guardian is living within the state.

(b) Prior to the placement of a pupil for care and treatment, the district of residence shall be notified and provided an opportunity to participate in the placement decision. When an immediate emergency placement is necessary and time does not permit resident district participation in the placement decision, the district in which the pupil is temporarily placed, if different from the district of residence, shall notify the district of residence of the emergency placement within 15 days of the placement.

(c) When a nonhandicapped pupil is temporarily placed for care and treatment in a day program and the pupil continues to live within the district of residence during the care and treatment, the district of residence shall provide instruction and necessary transportation for the pupil. The district may provide the instruction at a school within the district of residence, at the pupil's residence, or in the case of a placement outside of the resident district, in the district in which the day treatment program is located by paying tuition to that district.

(d) When a nonhandicapped pupil is temporarily placed in a residential program for care and treatment, the district in which the pupil is placed shall provide instruction for the pupil and necessary transportation within that district while the pupil is receiving instruction, and in the case of a placement outside of the district of residence, the nonresident district shall bill the district of residence for the actual cost of providing the instruction for the regular school year and for summer school, excluding transportation costs. When a nonhandicapped pupil is temporarily placed in a residential program outside the district of residence, the administrator of the court placing the pupil shall send timely written notice of the placement to the district of residence.

(e) The district of residence shall receive general education aid for the pupil and pay tuition and other instructional costs, excluding transportation costs, to the district providing the instruction. Transportation costs shall be paid by the district providing the transpor-

tation and the state shall pay transportation aid to that district. For purposes of computing state transportation aid, pupils governed by this subdivision shall be included in the handicapped transportation category.

Sec. 5. Minnesota Statutes 1990, section 124.273, subdivision 1b, is amended to read:

Subd. 1b. [TEACHERS SALARIES.] Each year the state shall pay a school district a portion of the salary, ~~calculated from the date of hire,~~ of one full-time equivalent teacher for each 45 pupils of limited English proficiency enrolled in the district. Notwithstanding the foregoing, the state shall pay a portion of the salary, ~~calculated from the date of hire,~~ of one-half of a full-time equivalent teacher to a district with 22 or fewer pupils of limited English proficiency enrolled. The portion for a full-time teacher shall be the lesser of ~~61~~ 55.2 percent of the salary or ~~\$17,000~~ \$15,320. The portion for a ~~part-time or limited-time~~ teacher shall be the lesser of ~~61~~ 55.2 percent of the salary or the product of ~~\$17,000~~ \$15,320 times the ratio of the person's actual employment to full-time employment.

Sec. 6. Minnesota Statutes 1990, section 124.311, subdivision 4, is amended to read:

Subd. 4. [ELIGIBLE SERVICES.] Assurance of mastery revenue must be used to provide direct instructional services to an eligible pupil, or group of eligible pupils, under the following conditions:

(a) Instruction may be provided at one or more grade levels from kindergarten through grade 8. If an assessment of pupils' needs within a district demonstrates that the eligible pupils in grades kindergarten through 8 are being appropriately served, a district may serve eligible pupils in grades 9 through 12.

(b) Instruction must be provided in the usual and customary classroom of the eligible pupil.

(c) Instruction must be provided under the supervision of the eligible pupil's regular classroom teacher. Instruction may be provided by the eligible pupil's classroom teacher, by another teacher, by a team of teachers, or by an education assistant or aide. A special education teacher may provide instruction, but instruction that is provided under this section is not eligible for aid under section 124.32.

(d) The instruction that is provided must differ from the initial instruction the pupil received in the regular classroom setting. The instruction may differ by presenting different curriculum than was initially presented in the regular classroom, or by presenting the same curriculum:

(1) at a different rate or in a different sequence than it was initially presented;

(2) using different teaching methods or techniques than were used initially; or

(3) using different instructional materials than were used initially.

Sec. 7. Minnesota Statutes 1990, section 124.32, subdivision 1b, is amended to read:

Subd. 1b. [TEACHERS SALARIES.] (a) Each year the state shall pay to a district a portion of the salary of each essential person employed in the district's program for handicapped children during the regular school year, whether the person is employed by one or more districts. The state shall also pay to the Minnesota state academy for the deaf or the Minnesota state academy for the blind a part of the salary of each instructional aide assigned to a child attending the academy, if that aide is required by the child's individual education plan.

(b) For the 1991-1992 school year, the portion for a full-time person shall be an amount not to exceed the lesser of 60 56.4 percent of the salary or \$16,727 \$15,700. The portion for a part-time or limited-time person shall be an amount not to exceed the lesser of 60 56.4 percent of the salary or the product of \$16,727 \$15,700 times the ratio of the person's actual employment to full-time employment.

(c) For the 1992-1993 school year and thereafter, the portion for a full-time person is an amount not to exceed the lesser of 55.2 percent of the salary or \$15,320. The portion for a part-time or limited-time person is an amount not to exceed the lesser of 55.2 percent of the salary or the product of \$15,320 times the ratio of the person's actual employment to full-time employment.

Sec. 8. Minnesota Statutes 1990, section 124.32, subdivision 10, is amended to read:

Subd. 10. [SUMMER SCHOOL.] The state shall pay aid for summer school programs for handicapped children on the basis of subdivisions 1b, 1d, and 5 for the ~~preceding~~ current school year. The state shall also pay to the Minnesota state academy for the deaf or the Minnesota state academy for the blind a part of the salary of each instructional aide assigned to a child attending the academy, if that aide is required by the child's individual education plan. By March 15 of each year, districts shall submit separate applications for program and budget approval for summer school programs. The review of these applications shall be as provided in subdivision 7. By May 1 of each year, the commissioner shall approve, disapprove or

modify the applications and notify the districts of the action and of the estimated amount of aid for the summer school programs.

Sec. 9. [124.321] [SPECIAL EDUCATION LEVY EQUALIZATION REVENUE.]

Subdivision 1. [LEVY EQUALIZATION REVENUE.] Special education levy equalization revenue for a school district, excluding an intermediate school district, equals the sum of the following amounts:

(1) 66 percent of the salaries paid to essential personnel in that district minus the amount of state aid and any federal aid, if applicable, paid to that district for salaries of these essential personnel under section 124.32, subdivisions 1b and 10, for the year to which the levy is attributable, plus

(2) 66 percent of the salaries paid to essential personnel in that district minus the amount of state aid and any federal aid, if applicable, paid to that district for salaries of those essential personnel under section 124.574, subdivision 2b, for the year to which the levy is attributable, plus

(3) 61 percent of the salaries paid to limited English proficiency program teachers in that district minus the amount of state aid and any federal aid, if applicable, paid to that district for salaries of these teachers under section 124.273, subdivision 1b, for the year to which the levy is attributable, plus

(4) the alternative delivery levy revenue determined according to section 10, subdivision 4, plus

(5) the amount allocated to the district by special education cooperatives or intermediate districts in which it participates according to subdivision 2.

A district that receives alternative delivery levy revenue according to section 10, subdivision 4, shall not receive levy equalization revenue under clause (1) or subdivision 2, clause (1), for the same fiscal year.

Subd. 2. [REVENUE ALLOCATION FROM COOPERATIVES AND INTERMEDIATE DISTRICTS.] (a) For purposes of this section, a special education cooperative or an intermediate district shall allocate to participating school districts the sum of the following amounts:

(1) 66 percent of the salaries paid to essential personnel in that cooperative or intermediate district minus the amount of state aid and any federal aid, if applicable, paid to that cooperative or

intermediate district for salaries of these essential personnel under section 124.32, subdivisions 1b and 10, for the year to which the levy is attributable, plus

(2) 66 percent of the salaries paid to essential personnel in that district minus the amount of state aid and any federal aid, if applicable, paid to that district for salaries of those essential personnel under section 124.574, subdivision 2b, for the year to which the levy is attributable, plus

(3) 61 percent of the salaries paid to limited English proficiency program teachers in that cooperative or intermediate district minus the amount of state aid and any federal aid, if applicable, paid to that cooperative or intermediate district for salaries of these teachers under section 124.273, subdivision 1b, for the year to which the levy is attributable.

(b) A special education cooperative or an intermediate district that allocates amounts to participating school districts under this subdivision must report the amounts allocated to the department of education.

(c) For purposes of this subdivision, the Minnesota state academy for the deaf or the Minnesota state academy for the blind each year shall allocate an amount equal to 66 percent of salaries paid to instructional aides in either academy minus the amount of state aid and any federal aid, if applicable, paid to either academy for salaries of these instructional aides under sections 124.32, subdivisions 1b and 10, for the year to each school district that assigns a child with an individual education plan requiring an instructional aide to attend either academy. The school districts that assign a child who requires an instructional aide may make a levy in the amount of the costs allocated to them by either academy.

(d) When the Minnesota state academy for the deaf or the Minnesota state academy for the blind allocates unreimbursed portions of salaries of instructional aides among school districts that assign a child who requires an instructional aide, for purposes of the districts making a levy under this subdivision, the academy shall provide information to the department of education on the amount of unreimbursed costs of salaries it allocated to the school districts that assign a child who requires an instructional aide.

Subd. 3. [SPECIAL EDUCATION LEVY.] To receive special education levy revenue, a district may levy an amount equal to the district's special education levy equalization revenue as defined in subdivision 1 multiplied by the lesser of one, or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year preceding the year the levy is certified by

the actual pupil units in the district for the school year to which the levy is attributable, to

(2) \$3,540.

Subd. 4. [SPECIAL EDUCATION LEVY EQUALIZATION AID.] A district's special education levy equalization aid is the difference between its special education levy equalization revenue and its special education levy. If a district does not levy the entire amount permitted, special education levy equalization aid must be reduced in proportion to the actual amount levied.

Subd. 5. [PRORATION.] In the event that the special education levy equalization aid for any year is prorated, a district having its aid prorated may levy an additional amount equal to the amount not paid by the state due to proration.

Sec. 10. [124.322] [ALTERNATIVE DELIVERY REVENUE.]

Subdivision 1. [ELIGIBILITY.] A district is eligible for alternative delivery revenue if the commissioner of education has approved the application of the district according to section 3.

Subd. 2. [AMOUNT OF ALTERNATIVE DELIVERY REVENUE.] For the first fiscal year after approval of an application, a district shall receive the sum of the revenue it received for the preceding fiscal year for its special education program under sections 124.32, subdivisions 1b, 2, 5, and 10, and Minnesota Statutes 1990, section 275.125, subdivision 8c, or section 9, subdivisions 1 and 2, as applicable, multiplied by 1.03. For each of the next two fiscal years, the district shall receive the amount it received for the previous fiscal year multiplied by 1.03.

Subd. 3. [ALTERNATIVE DELIVERY AID.] For the first fiscal year after approval of an application, a district shall receive the sum of the aid it received for the preceding fiscal year under section 124.32, subdivisions 1b, 2, 5, and 10, multiplied by 1.03. The aid for the first year of revenue shall not be prorated. For each of the next two fiscal years, the district shall receive the amount of aid it received for the previous fiscal year multiplied by 1.03. A district that receives aid under this subdivision shall not receive aid under section 124.32, subdivisions 1b, 2, 5, and 10, for the same fiscal year.

Subd. 4. [ALTERNATIVE DELIVERY LEVY REVENUE.] A district shall receive alternative delivery levy revenue equal to the difference between the alternative delivery revenue and the alternative delivery aid. If the alternative delivery aid for a district is prorated for the second or third fiscal years, the alternative delivery levy revenue shall be increased by the amount not paid by the state due to proration. For fiscal year 1993 and thereafter, the alternative

delivery levy revenue shall be included under section 9, subdivision 1, for purposes of computing the special education levy under section 9, subdivision 3, and the special education levy equalization aid under section 9, subdivision 4.

Subd. 5. [USE OF REVENUE.] Revenue under this section shall be used to implement the approved program.

Sec. 11. Minnesota Statutes 1990, section 124.332, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] A district is eligible for individualized learning and development aid if the school board of the district has adopted a district instructor-learner ratio specified by the district's curriculum advisory committee and submits its ratio to the department of education by the April 15, 1990 preceding the year for which the district will receive aid.

Sec. 12. Minnesota Statutes 1990, section 124.332, subdivision 2, is amended to read:

Subd. 2. [AID AMOUNT.] An eligible district shall receive individualized learning and development aid in an amount equal to ~~\$62.25~~ \$64 for 1991-1992 and \$66 for 1992-1993 and thereafter times the district's average daily membership in kindergarten and grade 1 to grade 2 for the 1991-1992 school year, and in kindergarten to grade 3 for the 1992-1993 school year and thereafter. Aid received under this subdivision must be used only to achieve the district's instructor-learner ratios and prepare and use individualized learning plans for learners in kindergarten and grade 1 the grades for which the district is receiving aid. If the district has achieved and is maintaining the district's instructor-learner ratios, then the district may use the aid to work to improve program offerings throughout the district.

Sec. 13. Minnesota Statutes 1990, section 124.573, subdivision 2b, is amended to read:

Subd. 2b. [SECONDARY VOCATIONAL AID.] ~~For 1989-1990 and later school years,~~ A district's or cooperative center's "secondary vocational aid" for secondary vocational education programs for a school fiscal year equals the sum of the following amounts for each program:

(a) the greater of zero, or 75 percent of the difference between:

(1) the salaries paid to essential, licensed personnel in that school year for services rendered in that program, and

(2) 50 percent of the general education revenue attributable to

secondary pupils for the number of hours that the pupils are enrolled in that program; and

(b) ~~30~~ 40 percent of approved expenditures for the following:

(1) contracted services provided by a public or private agency other than a Minnesota school district or cooperative center under section 124.573, subdivision 3a;

(2) necessary travel between instructional sites by licensed secondary vocational education personnel;

(3) necessary travel by licensed secondary vocational education personnel for vocational student organization activities held within the state for instructional purposes;

(4) curriculum development activities that are part of a five-year plan for improvement based on program assessment;

(5) necessary travel by licensed secondary vocational education personnel for noncollegiate credit bearing professional development; and

(6) specialized vocational instructional supplies.

Sec. 14. Minnesota Statutes 1990, section 124.573, subdivision 3a, is amended to read:

Subd. 3a. [AID FOR CONTRACTED SERVICES.] In addition to the provisions of subdivisions 2 and 3, a school district or cooperative center may contract with a public or private agency other than a Minnesota school district or cooperative center for the provision of secondary vocational education services. ~~For the 1986-1987 school year, the state shall pay each district or cooperative center 40 percent of the amount of a contract entered into pursuant to this subdivision. For the 1987-1988 school year, the state shall pay each district or cooperative center 35 percent of the amount of a contract entered into under this subdivision.~~ The state board shall promulgate rules relating to program approval procedures and criteria for these contracts and aid shall be paid only for contracts approved by the commissioner of education. For the purposes of subdivision 4, the district or cooperative center contracting for these services shall be construed to be providing the services.

Sec. 15. Minnesota Statutes 1990, section 124.574, subdivision 2b, is amended to read:

Subd. 2b. [SALARIES.] Each year the state shall pay to any district or cooperative center a portion of the salary of each essential licensed person employed during that ~~school~~ fiscal year for services

rendered in that district or center's secondary vocational education programs for handicapped children.

(a) For fiscal year 1992, the portion for a full-time person shall be an amount not to exceed the lesser of ~~60~~ 56.4 percent of the salary or ~~\$16,727~~ \$15,700. The portion for a part-time or limited-time person shall be the lesser of ~~60~~ 56.4 percent of the salary or the product of ~~\$16,727~~ \$15,700 times the ratio of the person's actual employment to full-time employment.

(b) For fiscal year 1993 and thereafter, the portion for a full-time person is an amount not to exceed the lesser of 55.2 percent of the salary or \$15,320. The portion for a part-time or limited-time person is the lesser of 55.2 percent of the salary or the product of \$15,320 times the ratio of the person's actual employment to full-time employment.

Sec. 16. Minnesota Statutes 1990, section 124.86, is amended to read:

124.86 [STATE REVENUE FOR AMERICAN INDIAN TRIBAL CONTRACT OR GRANT SCHOOLS.]

Subdivision 1. [AUTHORIZATION.] Each year each American Indian-controlled tribal contract or grant school authorized by the United States Code, title 25, section 450f, that is located on a reservation within the state is eligible to receive tribal contract or grant school aid subject to the requirements in this subdivision.

(a) The school must plan, conduct, and administer an education program that complies with the requirements of this chapter and chapters 120, 121, 122, 123, 124A, 124C, 125, 126, 129, and 268A.

(b) The school must comply with all other state statutes governing independent school districts.

(c) The state tribal contract or grant school aid must be used to supplement, and not to replace, the money for American Indian education programs provided by the federal government.

Subd. 2. [REVENUE AMOUNT.] An American Indian-controlled tribal contract or grant school that is located on a reservation within the state and that complies with the requirements in subdivision 1 is eligible to receive tribal contract or grant school aid. The amount of aid is derived by:

(1) multiplying the formula allowance under section 124A.22, subdivision 2, times the difference between (a) the actual pupil units as defined in section 124A.02, subdivision 15, ~~in attendance during the fall count week~~ in average daily membership and (b) the number

of pupils for the current school year, weighted according to section 124.17, subdivision 1, receiving benefits under section 123.933 or 123.935 or for which the school is receiving reimbursement under section 126.23;

(2) subtracting from the result in clause (1) the amount of money allotted to the school by the federal government through the Indian School Equalization Program of the Bureau of Indian Affairs, according to Code of Federal Regulations, title 25, part 39, subparts A to E, for the basic program as defined by section 39.11, paragraph (b), for the base rate as applied to kindergarten through twelfth grade, excluding small school adjustments and additional weighting, but not money allotted through subparts F to L for contingency funds, school board training, student training, interim maintenance and minor repair, interim administration cost, prekindergarten, and operation and maintenance, and the amount of money that is received according to section 126.23;

(3) dividing the result in clause (2) by the actual pupil units in average daily membership; and

(4) multiplying the actual pupil units in average daily membership by the lesser of \$1,500 or the result in clause (3).

Subd. 3. [~~LAW WAIVER.~~] Notwithstanding subdivision 1, paragraphs (a) and (b), a tribal contract or grant school:

(1) is not subject to the Minnesota election law;

(2) has no authority under this section to levy for property taxes, issue and sell bonds, or incur debt; and

(3) may request through its managing tribal organization a recommendation of the state board of education, for consideration of the legislature, that a tribal contract or grant school not be subject to specified statutes related to independent school districts.

Subd. 4. [EARLY CHILDHOOD FAMILY EDUCATION REVENUE.] A school receiving aid under this section is eligible to receive early childhood family education revenue to provide early childhood family education programs for parents and children who are enrolled or eligible for enrollment in a federally recognized tribe. The revenue equals 1.5 times the statewide average expenditure per participant under section 124.2711, times the number of children and parents participating full time in the program. The program shall comply with section 121.882, except that the school is not required to provide a community education program or establish a community education advisory council. The program shall be designed to improve the skills of parents and promote American Indian history, language, and culture. The school shall make

affirmative efforts to encourage participation by fathers. Admission may not be limited to those enrolled in or eligible for enrollment in a federally recognized tribe.

Sec. 17. [125.62] [GRANTS TO PREPARE INDIAN TEACHERS.]

Subdivision 1. [ESTABLISHMENT.] A grant program is established to assist American Indian people to become teachers and to provide additional education for American Indian teachers. The state board may award a joint grant to each of the following:

(1) the Duluth campus of the University of Minnesota and independent school district No. 709, Duluth;

(2) Bemidji state university and independent school district No. 38, Red Lake;

(3) Moorhead state university and one of the school districts located within the White Earth reservation; and

(4) Augsburg college and special school district No. 1, Minneapolis.

Subd. 2. [APPLICATION.] To obtain a joint grant, a joint application shall be submitted to the state board of education. The application must be developed with the participation of the parent advisory committee, established according to section 126.51, and the Indian advisory committee at the post-secondary institution. The joint application shall set forth:

(1) the in-kind, coordination, and mentorship services to be provided by the post-secondary institution; and

(2) the coordination and mentorship services to be provided by the school district.

Subd. 3. [REVIEW AND COMMENT.] The state board shall submit the joint application to the Minnesota Indian scholarship committee for review and comment.

Subd. 4. [GRANT AMOUNT.] The state board may award a joint grant in the amount it determines to be appropriate. The grant shall include money for the post-secondary institution, school district, student scholarships, and student loans.

Subd. 5. [INFORMATION TO STUDENT APPLICANTS.] At the time a student applies for a scholarship and loan, the student shall be provided information about the fields of licensure needed by school districts in the part of the state within which the district receiving the joint grant is located. The information shall be

acquired and periodically updated by the recipients of the joint grant. Information provided to students shall clearly state that scholarship and loan decisions are not based upon the field of licensure selected by the student.

Subd. 6. [ELIGIBILITY FOR SCHOLARSHIPS AND LOANS.] The following Indian people are eligible for scholarships:

(1) a student, including a teacher aide employed by a district receiving a joint grant, who intends to become a teacher and who is enrolled in a post-secondary institution receiving a joint grant;

(2) a licensed employee of a district receiving a joint grant, who is enrolled in a master of education program; and

(3) a student who, after applying for federal and state financial aid and an Indian scholarship according to section 124.48, has financial needs that remain unmet. Financial need shall be determined according to the uniform methodology for needs determination.

A person who has actual living expenses in addition to those addressed by the uniform methodology for needs determination may receive a loan according to criteria established by the state board. A contract shall be executed between the state and the student for the amount and terms of the loan.

Subd. 7. [LOAN FORGIVENESS.] The loan may be forgiven if the recipient is employed as a teacher, as defined in section 125.12 or 125.17, in an eligible school or program in Minnesota. One-fifth of the principal of the outstanding loan amount shall be forgiven for each year of eligible employment, or a pro rata amount for eligible employment during part of a school year, part-time employment as a substitute teacher, or other eligible part-time teaching. The following schools and programs are eligible for the purposes of loan forgiveness:

(1) a school or program operated by a school district;

(2) a tribal contract school eligible to receive aid according to section 124.86;

(3) a head start program;

(4) an early childhood family education program; or

(5) a program providing educational services to children who have not entered kindergarten.

If a person has an outstanding loan obtained through this program, the duty to make payments of principal and interest may be

deferred during any time period the person is enrolled at least one-half time in an advanced degree program in a field that leads to employment by a school district. To defer loan obligations, the person shall provide written notification to the state board of education and the recipients of the joint grant that originally authorized the loan. Upon approval by the state board and the joint grant recipients, payments shall be deferred.

The loan forgiveness program, loan deferral, and procedures to administer the program shall be approved by the higher education coordinating board.

Subd. 8. [REVOLVING FUND.] The Indian teacher preparation loan repayment revolving account is established in the state treasury. Any amounts repaid or contributed by a teacher who received a scholarship or loan under this program shall be deposited in the account. All money in the account is annually appropriated to the state board of education and shall be used to enable Indian students to participate in the program.

Sec. 18. Minnesota Statutes 1990, section 126.51, subdivision 1a, is amended to read:

Subd. 1a. [RESOLUTION OF CONCURRENCE.] Each year by September 15 and June 15 of each school year December 1, the school board or American Indian school shall submit to the department of education a copy of a resolution adopted by the parent committee. The copy must be signed by the chair of the committee and must state whether the committee concurs with the educational programs for American Indian children offered by the school board or American Indian school. If the committee does not concur with the educational programs, the reasons for nonconcurrence and recommendations shall be submitted with the resolution. By resolution, the school board shall respond, in cases of nonconcurrence, to each recommendation made by the committee and state its reasons for not implementing the recommendations.

Sec. 19. [127.281] [EXCLUSION AND EXPULSION OF HANDICAPPED PUPILS.]

When a pupil who has an individual education plan is excluded or expelled under sections 127.26 to 127.39 for misbehavior that is not a manifestation of the pupil's handicapping condition, the district shall provide special education and related services after a period of suspension, if suspension is imposed. The district shall initiate a review of the pupil's individual education plan within ten days of the commencement of an expulsion, exclusion, or a suspension of ten days or more.

Sec. 20. [128B.011] [PINE POINT SCHOOL GOVERNANCE AND STANDARDS.]

Subdivision 1. [GOVERNANCE.] The care, management, and control of Pine Point school is vested in the White Earth reservation tribal council. The council has the same powers and duties as a school board under chapters 120 to 129 and other provisions applicable to school boards. The tribal council may delegate powers and duties for the operation of the school to the Indian education committee. The committee may exercise powers and duties delegated to it.

Subd. 2. [STANDARDS.] The school is a public school providing instruction for pupils in kindergarten through the 8th grade. Instruction shall meet the same standards for instruction as are required for other public schools.

Subd. 3. [COOPERATION WITH SCHOOL DISTRICTS.] If the council determines it cannot adequately provide certain services, the council shall purchase or share services with one or more school districts or other provider for instruction, administration, or other requirements of operating the school, including curriculum, teachers, support services, supervision, administration, financial accounting and reporting, and other instructional and noninstructional programs. The council is encouraged to cooperate with school districts to increase and improve instructional and support services available to the pupils in the school.

Sec. 21. Minnesota Statutes 1990, section 128B.03, is amended by adding a subdivision to read:

Subd. 3a. [STATE REVENUES.] The state shall pay to the council for the support of the school all aids, revenues, and grants available to a school district as though the school were a school district. The aids, revenues, and grants include, but are not limited to, the following:

- (1) general education revenue, as defined in section 124A.22, subdivision 1, including at least compensatory revenue;
- (2) transportation revenue;
- (3) capital expenditure facilities revenue;
- (4) capital expenditure equipment revenue;
- (5) special education revenue;
- (6) limited English proficiency aid;
- (7) career teacher aid;
- (8) assurance of mastery revenue;

(9) school lunch revenue;

(10) school milk revenue;

(11) health and safety revenue;

(12) Indian language and culture grants;

(13) arts planning grants; and

(14) all other aids, revenues, or grants available to a school district.

If there are eligibility requirements for an aid, revenue, or grant, the requirements shall be met in order to obtain the aid, revenue, or grant, except that a requirement to levy shall be waived. To compute the amount of aid, revenue, or grant requiring a levy, the amount of the levy shall be zero.

If a school district obtains revenue from the proceeds of a levy, the council shall be deemed to have levied and the state shall pay aid equal to the amount that would have been levied. The amount shall be approved by the commissioner of education.

The proceeds of any aid, grant, or revenue shall be used only as provided in the applicable statute.

Sec. 22. Minnesota Statutes 1990, section 128B.03, subdivision 4, is amended to read:

Subd. 4. ~~[DISTRICT 309 FEDERAL AID.]~~ ~~(a)~~ The school board of independent school district No. 309 must transfer to the council, to the extent permissible, any federal aids or grants which the school district is eligible for or entitled to because of:

(1) the population in the ~~experimental~~ school attendance area;

(2) the pupils actually attending the ~~experimental~~ school;

(3) the program of the ~~experimental~~ school;

(4) the boundaries of the attendance area of the ~~experimental~~ school; or

(5) a related reason.

~~(b) For the sole purpose of receiving federal impact aid, the experimental school on the land comprising the former independent school district No. 25 is a local education agency, according to Code~~

of Federal Regulations, title 34, section 222.80. The school and the land must not be included, for the purpose of determining federal impact aid, in independent school district No. 309.

Sec. 23. Minnesota Statutes 1990, section 128B.03, subdivision 5, is amended to read:

Subd. 5. [AUDITS; STATE AUDITOR LAW.] The council must have an audit done annually of the accounts of the experimental school. The audit must be finished within one year after the year for which the audit is made. ~~The council is subject to chapter 6, relating to the state auditor.~~

Sec. 24. Minnesota Statutes 1990, section 128B.03, subdivision 7, is amended to read:

Subd. 7. [INSURANCE.] The council may buy the insurance specified in sections 123.35, subdivision 13, and 123.41. The council must buy insurance to the extent required by chapter 466 and is not liable beyond the extent provided by ~~section 466.12, subdivision 3a~~ chapter 466. The term "average number of pupils" in section 466.12, ~~subdivision 3a~~, means, for this subdivision, the average number of pupils attending the experimental school.

Sec. 25. Minnesota Statutes 1990, section 128B.04, is amended to read:

128B.04 [ALL PUPILS IN AREA ARE RESIDENT PUPILS.]

For chapter 120, A pupil in kindergarten through 8th grade who resides within former independent school district No. 25 is a resident pupil of the experimental school attendance area, as if the area were a school district for the purposes of chapter 120. Pupils enrolled in the school may not be counted by independent school district No. 309 for the purposes of receiving revenue according to chapters 120 to 129.

Sec. 26. Minnesota Statutes 1990, section 128B.05, subdivision 2, is amended to read:

Subd. 2. [COUNCIL TEACHERS ARE UNIT.] Teachers employed by the council are employees of the experimental school council and are an "appropriate unit" or a "unit" under chapter 179A, notwithstanding section 179A.03, subdivision 2.

Sec. 27. Minnesota Statutes 1990, section 128B.05, subdivision 3, is amended to read:

Subd. 3. [DISTRICT 309 TEACHERS.] Teachers employed by the school board of independent school district No. 309 who are assigned

by the board to the ~~experimental~~ school remain employees of the board.

Sec. 28. Minnesota Statutes 1990, section 128B.06, subdivision 1, is amended to read:

Subdivision 1. [EDUCATION CODE.] The management of the ~~experimental~~ school by the council is governed by the education code and other law affecting ~~public~~ school districts.

Sec. 29. Minnesota Statutes 1990, section 128B.08, is amended to read:

128B.08 [REPORTS TO LEGISLATURE.]

Before December 1 of each year the council must submit a report to the legislature on the ~~experimental~~ school established by this chapter. The report must document the success or failure of the ~~experimental~~ school.

Sec. 30. Minnesota Statutes 1990, section 128B.09, is amended to read:

128B.09 [~~END OF EXPERIMENT; TRANSFER BACK TO DISTRICT 309.~~]

At any time before July 1, 1991, the experimental status of The school may be ended on closed by unanimous vote of the officers of the tribal council and 30 days' notice to the school board of independent school district No. 309 effective June 30 of any year. Then The school board of independent school district No. 309 must resume management of the entire district shall assume responsibility for the pupils in the school on the next July 1.

Sec. 31. Minnesota Statutes 1990, section 128B.10, subdivision 1, is amended to read:

Subdivision 1. [EXTENSION.] This chapter is repealed July 1, 1991 1993.

Sec. 32. Minnesota Statutes 1990, section 128B.10, subdivision 2, is amended to read:

Subd. 2. [STATE AUDIT.] The state auditor shall conduct an audit of the school's finances for each even-numbered fiscal years 1989 and 1990 year without charge to the school. A preliminary or, if completed, a final The report for fiscal year 1989 of each audit shall be submitted by February 15, 1990, to the White Earth reservation tribal council, the Pine Point Indian education committee, and the

commissioner of education committees of the legislature, and the legislative reference library.

Sec. 33. [CAPITAL EXPENDITURE REVENUE TRANSFER.]

Independent school district No. 309, Park Rapids, shall pay to the White Earth reservation tribal council capital expenditure facilities revenue and capital expenditure equipment revenue that the school district received as a result of including the pupils enrolled in Pine Point school in the school district's pupil count for those revenues. By June 30, 1991, Park Rapids shall pay the amount attributable to fiscal years 1988, 1989, 1990, and 1991. The amounts attributable to fiscal years before 1988 shall be paid according to a schedule agreed upon by the tribal council and the school board. The amounts to be paid shall reflect total revenue and not state aid.

Upon request of the tribal council or the school district, the amounts to be paid shall be approved by the state board of education.

Sec. 34. [STATE AUDITOR'S BILLING FOR PINE POINT SCHOOL.]

The state auditor may not bill the White Earth tribal council or the Pine Point Indian education committee for the costs or expenses of audits conducted of the school's finances for fiscal years 1989 and 1990. Any bills for the audits shall not be paid by the tribal council or the Indian education committee.

Sec. 35. [ESTABLISHMENT OF REVOLVING FUND AND APPLICABILITY OF LOAN REPAYMENTS.]

All loan repayments made by a person according to Laws 1989, chapter 329, article 3, section 22, shall be deposited in the Indian teacher preparation loan repayment revolving fund by the commissioner of finance.

Sec. 36. [1992 SPECIAL EDUCATION LEVY ADJUSTMENT.]

A district's maximum special education levy for fiscal year 1992 equals the district's special education levy revenue for fiscal year 1992 according to the provisions in this article for special education levy equalization revenue. A district may levy for taxes payable in 1992 an amount equal to the difference between its maximum special education levy for fiscal year 1992 and the amount it levied for taxes payable in 1991 under Minnesota Statutes 1990, section 275.125, subdivision 8c. Notwithstanding Minnesota Statutes, section 121.904, the entire amount of this levy shall be recognized as revenue for fiscal year 1992.

Sec. 37. [INDIVIDUALIZED LEARNING AND DEVELOPMENT AID.]

Notwithstanding Minnesota Statutes, section 124.332, subdivision 1, a district may submit its instructor learner ratio to the commissioner for the 1991-1992 school year by August 1, 1991.

Sec. 38. [INSTRUCTION TO THE REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall delete each term in column A and insert the term in column B wherever the terms in column A appear within the education code.

<u>Column A</u>	<u>Column B</u>
<u>Handicapped children</u>	<u>Children with a disability</u>
<u>Handicapping conditions</u>	<u>Disabling conditions</u>
<u>Handicapped pupil</u>	<u>Pupil with a disability</u>
<u>Nonhandicapped pupil</u>	<u>Pupil without a disability</u>
<u>Nonhandicapped children</u>	<u>Children without a disability</u>
<u>Handicapped student</u>	<u>Pupil with a disability</u>
<u>Handicapped child</u>	<u>Child with a disability</u>
<u>Children with handicaps</u>	<u>Children with disabilities</u>
<u>Handicapped youth</u>	<u>Youth with a disability</u>
<u>Handicapped individuals</u>	<u>Individuals with a disability</u>

Sec. 39. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [SPECIAL EDUCATION AID.] For special education aid according to Minnesota Statutes, section 124.32:

\$167,105,000 1992

\$167,238,000 1993

The 1992 appropriation includes \$24,996,000 for 1991 and \$142,109,000 for 1992.

The 1993 appropriation includes \$25,078,000 for 1992 and \$142,160,000 for 1993.

Subd. 3. [SPECIAL PUPIL AID.] For special education aid according to Minnesota Statutes, section 124.32, subdivision 6, for pupils with handicaps placed in residential facilities within the district boundaries for whom no district of residence can be determined:

\$395,000 1992

\$436,000 1993

If the appropriation for either year is insufficient, the appropriation for the other year is available. If the appropriations for both years are insufficient, the appropriation for special education aid may be used to meet the special pupil obligations.

Subd. 4. [SUMMER SPECIAL EDUCATION AID.] For special education summer program aid according to Minnesota Statutes, section 124.32, subdivision 10:

\$4,885,000 1992

\$4,865,000 1993

The 1992 appropriation is for 1991 summer programs.

The 1993 appropriation is for 1992 summer programs.

Subd. 5. [TRAVEL FOR HOME-BASED SERVICES.] For aid for teacher travel for home-based services according to Minnesota Statutes, section 124.32, subdivision 2b:

\$66,000 1992

\$71,000 1993

The 1992 appropriation includes \$7,000 for 1991 and \$59,000 for 1992.

The 1993 appropriation includes \$10,000 for 1992 and \$61,000 for 1993.

Subd. 6. [RESIDENTIAL FACILITIES AID.] For residential facilities aid under aid according to Minnesota Statutes, section 124.32, subdivision 5:

\$2,315,000 1992

\$2,535,000 1993

Subd. 7. [LIMITED ENGLISH PROFICIENCY PUPILS PROGRAM AID.] For aid to educational programs for pupils of limited English proficiency according to Minnesota Statutes, section 124.273:

\$3,853,000 1992

\$3,994,000 1993

The 1992 appropriation includes \$512,000 for 1991 and \$3,341,000 for 1992.

The 1993 appropriation includes \$589,000 for 1992 and \$3,405,000 for 1993.

Subd. 8. [AMERICAN INDIAN POST-SECONDARY PREPARATION GRANTS.] For American Indian post-secondary preparation grants according to Minnesota Statutes, section 124.481:

\$857,000 1992

\$857,000 1993

Any balance in the first year does not cancel but is available in the second year.

Subd. 9. [AMERICAN INDIAN LANGUAGE AND CULTURE PROGRAMS.] For grants to American Indian language and culture education programs according to Minnesota Statutes, section 126.54, subdivision 1:

\$591,000 1992

\$590,000 1993

The 1992 appropriation includes \$89,000 for 1991 and \$502,000 for 1992.

The 1993 appropriation includes \$88,000 for 1992 and \$502,000 for 1993.

Any balance in the first year does not cancel but is available in the second year.

Subd. 10. [SECONDARY VOCATIONAL; PUPILS WITH DISABILITIES.] For aid for secondary vocational education for pupils with disabilities according to Minnesota Statutes, section 124.574:

\$4,691,000 1992

\$4,652,000 1993

The 1992 appropriation includes \$729,000 for 1991 and \$3,962,000 for 1992.

The 1993 appropriation includes \$699,000 for 1992 and \$3,953,000 for 1993.

Subd. 11. [ASSURANCE OF MASTERY.] For assurance of mastery aid according to Minnesota Statutes, section 124.311:

\$12,410,000 1992

\$12,784,000 1993

The 1992 appropriation includes \$1,751,000 for 1991 and \$10,659,000 for 1992.

The 1993 appropriation includes \$1,881,000 for 1992 and \$10,903,000 for 1993.

Subd. 12. [INDIVIDUALIZED LEARNING AND DEVELOPMENT AID.] For individualized learning and development aid according to Minnesota Statutes, section 124.331:

\$11,325,000 1992

\$15,892,000 1993

The 1992 appropriation includes \$1,068,000 for 1991 and \$10,257,000 for 1992.

The 1993 appropriation includes \$1,810,000 for 1992 and \$14,082,000 for 1993.

Subd. 13. [SPECIAL PROGRAMS EQUALIZATION AID.] For special education levy equalization aid according to section 9:

\$9,215,000 1993

This appropriation is based on a formula entitlement of \$10,841,000.

Subd. 14. [AMERICAN INDIAN SCHOLARSHIPS.] For American Indian scholarships according to Minnesota Statutes, section 124.48:

\$1,600,000 1992

\$1,600,000 1993

Any unexpended balance remaining in the first year does not cancel but is available in the second year.

Subd. 15. [AMERICAN INDIAN EDUCATION.] For certain American Indian education programs in school districts:

\$175,000 1992

\$175,000 1993

The 1992 appropriation includes \$26,000 for 1991 and \$149,000 for 1992.

The 1992 appropriation includes \$26,000 for 1992 and \$149,000 for 1993.

These appropriations are available for expenditure with the approval of the commissioner of education.

The commissioner must not approve the payment of any amount to a school district or school under this subdivision unless that school district or school is in compliance with all applicable laws of this state.

Up to the following amounts may be distributed to the following schools and school districts for each fiscal year: \$54,800 to Pine Point School; \$9,700 to independent school district No. 166; \$14,900 to independent school district No. 432; \$14,100 to independent school district No. 435; \$42,200 to independent school district No. 707; and \$39,100 to independent school district No. 38. These amounts shall be spent only for the benefit of American Indian pupils and to meet established state educational standards or statewide requirements.

Before a district or school can receive money under this subdivision, the district or school must submit to the commissioner of education evidence that it has complied with the uniform financial accounting and reporting standards act, Minnesota Statutes, sections 121.90 to 121.917.

Subd. 16. [INDIAN TEACHER PREPARATION GRANTS.] For joint grants to assist Indian people to become teachers:

\$190,000 1992

\$190,000 1993

Up to \$70,000 each year is for a joint grant to the University of Minnesota at Duluth and the Duluth school district.

Up to \$40,000 each year is for a joint grant to each of the following:

(1) Bemidji state university and the Red Lake school district;

(2) Moorhead state university and a school district located within the White Earth reservation; and

(3) Augsburg college and the Minneapolis school district.

Money not used for students at one location may be transferred for use at another location.

Any unexpended balance remaining the first year does not cancel but is available in the second year.

Subd. 17. [TRIBAL CONTRACT SCHOOLS.]

For tribal contract school aid according to Minnesota Statutes, section 124.86:

\$600,000 1992

\$600,000 1993

Subd. 18. [EARLY CHILDHOOD PROGRAMS AT TRIBAL SCHOOLS.] For early childhood family education programs at tribal contract schools:

\$68,000 1992

\$68,000 1993

Subd. 19. [SECONDARY VOCATIONAL EDUCATION AID.] For secondary vocational education aid according to Minnesota Statutes, section 124.573:

\$11,452,000 1992

\$11,977,000 1993

The 1992 appropriation includes \$1,758,000 for 1991 and \$9,694,000 for 1992.

The 1993 appropriation includes \$1,710,000 for 1992 and \$10,267,000 for 1993.

Subd. 20. [COMMUNITY LIVING PROGRAMS FOR YOUTHS WITH DISABILITIES.] For grants throughout the state to develop programs to provide education-to-community living services for youths with disabilities:

\$500,000 1992

The appropriation shall be available until June 30, 1993.

Sec. 40. [REPEALER.]

Minnesota Statutes 1990, sections 128B.01; 128B.03, subdivisions 3 and 8; 128B.07; and 275.125, subdivision 8c, are repealed.

Sec. 41. [EFFECTIVE DATE.]

Section 9 is effective for revenue for fiscal year 1993 and thereafter. Section 17, subdivision 8, is effective the day following final enactment.

ARTICLE 4

COMMUNITY SERVICES

Section 1. Minnesota Statutes 1990, section 121.88, subdivision 9, is amended to read:

Subd. 9. [YOUTH SERVICE PROGRAMS.] A school board may offer, as part of a community education program with a youth development program, a youth service program for pupils to promote active citizenship and to address community needs through youth service. The school board may award up to one credit, or the equivalent, toward graduation for a pupil who completes the youth service requirements of the district. The community education advisory council shall design the program in cooperation with the district planning, evaluating and reporting committee and local organizations that train volunteers or need volunteers' services. Programs must include:

(1) preliminary training for pupil volunteers conducted, when possible, by organizations experienced in such training;

(2) supervision of the pupil volunteers to ensure appropriate placement and adequate learning opportunity;

(3) sufficient opportunity, in a positive setting for human development, for pupil volunteers to develop general skills in preparation for employment, to enhance self esteem and self worth, and to give genuine service to their community; and

(4) integration of academic learning with the service experience; and

(5) integration of youth community service with elementary and secondary curriculum.

Youth service projects include, but are not limited to, the following:

(1) human services for the elderly, including home care and related services;

(2) tutoring and mentoring;

(3) training for and providing emergency services;

(4) services at extended day programs; and

(5) environmental services.

The commissioner shall maintain a list of acceptable projects with a description of each project. A project that is not on the list must be approved by the commissioner.

A youth service project must have a community sponsor that may be a governmental unit or nonprofit organization. To assure that pupils provide additional services, each sponsor must assure that pupil services do not displace employees or reduce the workload of any employee.

The commissioner must assist districts in planning youth service programs, implementing programs, and developing recommendations for obtaining community sponsors.

Sec. 2. Minnesota Statutes 1990, section 121.88, subdivision 10, is amended to read:

Subd. 10. [EXTENDED DAY PROGRAMS.] A school board may offer, as part of a community education program, an extended day program for children from kindergarten through grade 6 for the purpose of expanding students' learning opportunities. A program must include the following:

(1) adult supervised programs while school is not in session;

(2) parental involvement in program design and direction;

(3) partnerships with the K-12 system, and other public, private, or nonprofit entities; and

(4) opportunities for trained secondary school pupils to work with younger children in a supervised setting as part of a community service program.

The district may charge a sliding fee based upon family income for extended day programs. The district may receive money from other public or private sources for the extended day program. The school board of the district shall develop standards for school age child care programs. Districts with programs in operation before July 1, 1990, must adopt standards before October 1, 1991. All other districts must adopt standards within one year after the district first offers services under a program authorized by this subdivision. The state board of education may not adopt rules for extended day programs.

Sec. 3. Minnesota Statutes 1990, section 121.882, subdivision 2, is amended to read:

Subd. 2. [PROGRAM CHARACTERISTICS.] Early childhood family education programs are programs for children in the period of life from birth to kindergarten, for the parents of such children, and for expectant parents. The programs may include the following:

- (1) programs to educate parents about the physical, mental, and emotional development of children;
- (2) programs to enhance the skills of parents in providing for their children's learning and development;
- (3) learning experiences for children and parents;
- (4) activities designed to detect children's physical, mental, emotional, or behavioral problems that may cause learning problems;
- (5) activities and materials designed to encourage self-esteem, skills, and behavior that prevent sexual and other interpersonal violence;
- (6) educational materials which may be borrowed for home use;
- (7) information on related community resources; or
- (8) other programs or activities to improve the health, development, and learning readiness of children.

The programs shall not include activities for children that do not require substantial involvement of the children's parents. The programs shall be reviewed periodically to assure the instruction and materials are not racially, culturally, or sexually biased. The programs shall encourage parents to be aware of practices that may affect equitable development of children.

Sec. 4. Minnesota Statutes 1990, section 121.882, subdivision 6, is amended to read:

Subd. 6. [COORDINATION.] A district is encouraged to coordinate the program with its special education and vocational education programs and with related services provided by other governmental agencies and nonprofit agencies.

A district is encouraged to coordinate adult basic education programs provided to parents and early childhood family education programs provided to children to accomplish the goals of section 124C.61.

Sec. 5. Minnesota Statutes 1990, section 121.882, is amended by adding a subdivision to read:

Subd. 7a. [ALTERNATIVE COUNCIL.] A school board may direct the community education council, required according to section 121.88, subdivision 2, to perform the functions of the advisory council for early childhood family education.

Sec. 6. Minnesota Statutes 1990, section 123.702, is amended to read:

123.702 [SCHOOL BOARD RESPONSIBILITIES.]

Subdivision 1. Every school board shall provide for a ~~voluntary~~ mandatory program of early childhood ~~health and developmental~~ screening for children ~~once before entering kindergarten~~ who are four years old and older but who have not entered kindergarten or first grade in a public school. This screening program shall be established either by one board, by two or more boards acting in cooperation, by educational cooperative service units, by early childhood family education programs, or by other existing programs. ~~No school board may make~~ This screening examination is a mandatory prerequisite to ~~enroll~~ enrolling a student in kindergarten or first grade in a public school. A child need not submit to developmental screening provided by a school board if the child's health records indicate to the school board that the child has received comparable developmental screening from a public or private health care organization or individual health care provider. The school districts are encouraged to reduce the costs of preschool ~~health~~ developmental screening programs by utilizing volunteers in implementing the program.

Subd. 1a. A child must not be enrolled in this state in a public school until the parent or guardian of the child submits to the school principal or other person having general control and supervision of the school a record indicating the months and year the child received developmental screening and the results of the screening. If

a child is transferred from one kindergarten to another or from one first grade to another, the parent or guardian of the child must be allowed 30 days to submit the child's record, during which time the child may attend school.

Subd. 1a 1b. A screening program shall include at least the following components ~~to the extent the school board determines they are financially feasible~~: developmental assessments, hearing and vision screening or referral, review of health history and immunization status review and referral, and assessments of height and weight review of any special family circumstances that might affect development, identification of additional risk factors that may influence learning, an interview with the parent about the child, and referral for assessment, diagnosis, and treatment when potential needs are identified. All screening components shall be consistent with the standards of the state commissioner of health for early ~~and periodic developmental screening programs. No child shall be required to submit to any component of this screening program to be eligible for any other component.~~ No developmental screening program shall provide laboratory tests, a health history or a physical examination to any child ~~who has been provided with those laboratory tests or a health history or physical examination within the previous 12 months.~~ The school district shall request from the public or private health care organization or the individual health care provider the results of any laboratory test, health history or physical examination within the 12 months preceding a child's scheduled screening ~~clinic.~~ If a child is without health coverage, the school district shall refer the child to an appropriate health care provider. A school board may offer additional components such as nutritional, physical and dental assessments, blood pressure, and laboratory tests. State aid shall not be paid for additional components.

Subd. 2. If any child's screening indicates a condition which requires diagnosis or treatment, the child's parents shall be notified of the condition and the school board shall ensure that an appropriate follow-up and referral process is available, ~~in accordance with procedures established pursuant to section 123.703, subdivision 1.~~

Subd. 3. The school board shall ~~actively encourage participation~~ inform each resident family with a child eligible to participate in the developmental screening program about the availability of the program and the state's requirement that a child receive developmental screening before enrolling in kindergarten or first grade in a public school.

Subd. 4. ~~Every~~ A school board shall ~~may~~ contract with or purchase service from an approved early ~~and periodic developmental screening program in the area wherever possible.~~ Developmental screening must be conducted by an individual who is licensed as, or has the training equal to, a special education teacher, school psychologist, kindergarten teacher, prekindergarten teacher, school nurse, public

health nurse, registered nurse, or physician. The individual may be a volunteer.

Subd. 4a. The school district shall provide the parent or guardian of the child screened with a record indicating the month and year the child received developmental screening and the results of the screening. The district shall keep a duplicate copy of the record of each child screened.

Subd. 5. Every school board shall integrate and utilize volunteer screening programs in implementing sections 123.702 to 123.704 123.705 wherever possible.

Subd. 6. A school board may contract with health care providers to operate the screening programs and shall consult with local societies of health care providers.

Subd. 7. In selecting personnel to implement the screening program, the school district shall give priority first to qualified volunteers and second to other persons possessing the minimum qualifications required by the rules adopted by the state board of education and the commissioner of health.

Sec. 7. [123.7045] [DEVELOPMENTAL SCREENING AID.]

Each school year, the state shall pay a school district \$25 for each child screened according to the requirements of section 123.702.

Sec. 8. Minnesota Statutes 1990, section 124.26, subdivision 1c, is amended to read:

Subd. 1c. [PROGRAM APPROVAL.] To receive aid under this section, a district must submit an application by June 1 describing the program, on a form provided by the department. The program must be approved by the commissioner according to the following criteria:

- (1) how the needs of different levels of learning will be met;
- (2) for continuing programs, an evaluation of results;
- (3) anticipated number and education level of participants;
- (4) coordination with other resources and services;
- (5) participation in a consortium, if any, and money available from other participants;
- (6) management and program design;

- (7) volunteer training and use of volunteers;
- (8) staff development services;
- (9) program sites and schedules; and
- (10) program expenditures that qualify for aid.

The commissioner may contract with a private, nonprofit organization to provide services that are not offered by a district or that are supplemental to a district's program. The program provided under a contract must be approved according to the same criteria used for district programs.

Adult basic education programs may be approved under this subdivision for up to two years. Two-year program approval shall be granted to an applicant who has demonstrated the capacity to:

(1) offer comprehensive learning opportunities and support service choices appropriate for and accessible to adults at all basic skill need levels;

(2) provide a participatory and experimental learning approach based on the strengths, interests, and needs of each adult, that enables adults with basic skill needs to:

(i) identify, plan for, and evaluate their own progress toward achieving their defined educational and occupational goals;

(ii) master the basic academic reading, writing, and computational skills, as well as the problem-solving, decision making, interpersonal effectiveness, and other life and learning skills they need to function effectively in a changing society;

(iii) locate and be able to use the health, governmental, and social services and resources they need to improve their own and their families' lives; and

(iv) continue their education, if they desire, to at least the level of secondary school completion, with the ability to secure and benefit from continuing education that will enable them to become more employable, productive, and responsible citizens;

(3) plan, coordinate, and develop cooperative agreements with community resources to address the needs that the adults have for support services, such as transportation, flexible course scheduling, convenient class locations, and child care;

(4) collaborate with business, industry, labor unions, and employment-training agencies, as well as with family and occupational

education providers, to arrange for resources and services through which adults can attain economic self-sufficiency;

(5) provide sensitive and well trained adult education personnel who participate in local, regional, and statewide adult basic education staff development events to master effective adult learning and teaching techniques;

(6) participate in regional adult basic education peer program reviews and evaluations; and

(7) submit accurate and timely performance and fiscal reports.

Sec. 9. Minnesota Statutes 1990, section 124.26, subdivision 2, is amended to read:

Subd. 2. Each district or group of districts providing adult basic ~~and continuing~~ education programs shall establish and maintain accounts separate from all other district accounts for the receipt and disbursement of all funds related to these programs. All aid received pursuant to this section shall be utilized solely for the purposes of adult basic ~~and continuing~~ education programs. In no case shall federal and state aid equal more than 90 percent of the actual cost of providing these programs.

Sec. 10. [124.2601] [ADULT BASIC EDUCATION REVENUE.]

Subdivision 1. [FULL-TIME EQUIVALENT.] In this section "full-time equivalent" means 408 contact hours for a student at the adult secondary instructional level and 240 contact hours for a student at a lower instructional level. "Full-time equivalent" for an English as a second language student means 240 contact hours.

Subd. 2. [PROGRAMS FUNDED.] Adult basic education programs established under section 124.26 and approved by the commissioner are eligible for revenue under this section.

Subd. 3. [AID.] Adult basic education aid for each district with an eligible program equals 65 percent of the general education formula allowance times the number of full-time equivalent students in its adult basic education program.

Subd. 4. [LEVY.] A district with an eligible program may levy an amount not to exceed the amount raised by .21 percent times the adjusted tax capacity of the district for the preceding year.

Subd. 5. [REVENUE.] Adult basic education revenue is equal to the sum of a district's adult basic education aid and its adult basic education levy.

Subd. 6. [AID GUARANTEE.] Any adult basic education program that receives less state aid under subdivision 3 than from the aid formula for fiscal year 1992 shall receive the amount of aid it received in fiscal year 1992.

Subd. 7. [PRORATION.] If the total appropriation for adult basic education aid is insufficient to pay all districts the full amount of aid earned, the department of education shall proportionately reduce each district's aid.

Sec. 11. [124.2605] [GED TEST FEES.]

The commissioner of education shall pay 60 percent of the costs of a GED test taken by an eligible individual.

Sec. 12. Minnesota Statutes 1990, section 124.261, is amended to read:

124.261 [ADULT HIGH SCHOOL GRADUATION AID.]

Subdivision 1. [AID ELIGIBILITY.] Adult high school graduation aid for eligible pupils age 21 or over, equals 65 percent of the general education formula allowance times 1.35 1.30 times the average daily membership under section 124.17, subdivision 2e. Adult high school graduation aid must be paid in addition to any other aid to the district. Pupils age 21 or over may not be counted by the district for any purpose other than adult high school graduation aid.

Subd. 2. [AID FOLLOWS PUPIL.] Adult high school graduation aid accrues to the account and the fund of the eligible programs, under section 126.22, subdivision 3, that serve adult diploma students.

Sec. 13. Minnesota Statutes 1990, section 124.2711, is amended to read:

124.2711 [EARLY CHILDHOOD FAMILY EDUCATION AID REVENUE.]

Subdivision 1. [MAXIMUM REVENUE.] (a) The maximum revenue for early childhood family education programs for the 1989 and 1990 fiscal years for a school district is the amount of revenue derived by multiplying \$84.50 times the greater of 150 or the number of people under five years of age residing in the school district on September 1 of the preceding school year.

(b) For 1991 and later fiscal years, The maximum revenue for early childhood family education programs for a school district is the amount of revenue earned by multiplying \$87.75 \$96.50 for fiscal year 1992 or \$101.25 for fiscal year 1993 times the greater of:

(1) 150; or

(2) the number of people under five years of age residing in the school district on September 1 of the last school year.

Subd. 2. [POPULATION.] For the purposes of subdivision 1, data reported to the department of education according to the provisions of section 120.095 may be used to determine the number of people under five years of age residing in the district. The commissioner, with the assistance of the state demographer, shall review the number reported by any district operating an early childhood family education program. If requested, the district shall submit to the commissioner an explanation of its methods and other information necessary to document accuracy. If the commissioner determines that the district has not provided sufficient documentation of accuracy, the commissioner may request the state demographer to prepare an estimate of the number of people under five years of age residing in the district and may use this estimate for the purposes of subdivision 1.

Subd. 2a. [EARLY CHILDHOOD FAMILY EDUCATION LEVY.] To obtain early childhood family education revenue, a district may levy an amount equal to the tax rate of .596 percent times the adjusted tax capacity of the district for the year preceding the year the levy is certified. If the amount of the early childhood family education levy would exceed the early childhood family education revenue, the early childhood family education levy shall equal the early childhood family education revenue.

Subd. 3. [EARLY CHILDHOOD FAMILY EDUCATION AID.] If a district complies with the provisions of section 121.882, it shall receive early childhood family education aid equal to:

(a) the difference between the ~~maximum~~ early childhood family education revenue, according to subdivision 1, and the permitted early childhood family education levy attributable to the same school year, according to section 275.125, subdivision 8b, times

(b) the ratio of the district's actual levy to its permitted levy attributable to the same school year, according to section 275.125, subdivision 8b.

In fiscal year 1990 only, a district receiving early childhood family education aid under this subdivision or levy under section 275.125, subdivision 8b, shall receive an additional amount of aid equal to \$.95 times the greater of 150 or the number of people under five years of age residing in the district on September 1 of the last school year. If the district does not levy the entire amount permitted, the early childhood family education aid shall be reduced in proportion to the actual amount levied.

Subd. 4. [USE OF REVENUE RESTRICTED.] ~~The proceeds of the aid authorized by this section and the levy authorized by section 275.125, subdivision 8b, shall~~ Early childhood family education revenue may be used only for early childhood family education programs. Not more than five percent of early childhood family education revenue may be used to administer early childhood family education programs. The increase in revenue for fiscal years 1992 and 1993 shall be used to:

(1) increase participation of families so that the total participation in early childhood family education programs in the district more nearly reflects the demographic, racial, cultural, and ethnic diversity of the district; and

(2) provide programs for families who, because of poverty and other barriers to learning, may need programs designed to meet their needs.

Sec. 14. Minnesota Statutes 1990, section 124.2713, subdivision 1, is amended to read:

Subdivision 1. [TOTAL COMMUNITY EDUCATION REVENUE.] Community education revenue equals the sum of a district's general community education revenue, ~~youth development plan revenue,~~ and youth service program revenue.

Sec. 15. Minnesota Statutes 1990, section 124.2713, subdivision 3, is amended to read:

Subd. 3. [GENERAL COMMUNITY EDUCATION REVENUE.] ~~For fiscal year 1991 and thereafter,~~ The general community education revenue for a district equals \$5.95 times the greater of 1,335 or the population of the district. The population of the district is determined according to section 275.14.

Sec. 16. Minnesota Statutes 1990, section 124.2713, subdivision 5, is amended to read:

Subd. 5. [YOUTH SERVICE REVENUE.] Youth service program revenue is available to a district that has implemented a youth development plan and a youth service program. Youth service revenue equals 25 75 cents for fiscal year 1992 and 85 cents for fiscal year 1993 and thereafter, times the greater of 1,335 or the population of the district.

Sec. 17. Minnesota Statutes 1990, section 124.2713, subdivision 6, is amended to read:

Subd. 6. [COMMUNITY EDUCATION LEVY.] To obtain community education revenue, a district may levy the amount raised by a

tax rate of 1.07 percent for fiscal year 1992 and 1.095 percent for fiscal year 1993 and thereafter, times the adjusted net tax capacity of the district for taxes payable in 1991 and thereafter. If the amount of the community education levy would exceed the community education revenue, the community education levy shall equal the community education revenue.

Sec. 18. Minnesota Statutes 1990, section 124.2713, subdivision 9, is amended to read:

Subd. 9. [USE OF YOUTH SERVICE REVENUE.] Youth development service revenue may be used ~~only~~ to implement the a youth development plan approved by the school board. ~~Youth service revenue may be used only and to provide a youth service program according to section 121.88, subdivision 9.~~

Sec. 19. Minnesota Statutes 1990, section 124C.03, subdivision 2, is amended to read:

Subd. 2. [MEMBERS; MEETINGS; OFFICERS.] The interagency adult learning advisory council shall have ~~16~~ 20 to ~~18~~ 22 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) one member appointed by the commissioner of human services;

(4) one member appointed by the director of the refugee and immigrant assistance division of the department of human services;

(5) one member appointed by the commissioner of corrections;

(6) one member appointed by the commissioner of education;

(7) one member appointed by the chancellor of the state board of technical colleges;

(8) one member appointed by the chancellor of community colleges;

(9) 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;

(10) one member appointed by the council on Black Minnesotans;

(11) one member appointed by the Spanish-speaking affairs council;

(12) one member appointed by the council on Asian-Pacific Minnesotans;

(13) one member appointed by the Indian affairs council; and

(14) 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, the commissioner of the state planning agency must appoint at least ~~two~~ six, but not more than ~~four~~ eight, 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. 20. Minnesota Statutes 1990, section 126.22, subdivision 2, is amended to read:

Subd. 2. [ELIGIBLE PUPILS.] The following pupils are eligible to participate in the high school graduation incentives program:

(a) any pupil who is between the ages of 12 and 16, except as indicated in clause (6), and who:

(1) is at least two grade levels below the performance level for pupils of the same age in a locally determined achievement test; or

(2) is at least one year behind in satisfactorily completing coursework or obtaining credits for graduation; or

(3) is pregnant or is a parent; or

(4) has been assessed as chemically dependent; or

(5) has been excluded or expelled according to sections 127.26 to 127.39; or

(6) is between the ages of 12 and 21 and has been referred by a school district for enrollment in an eligible program or a program pursuant to section 126.23; or

(b) any pupil who is between the ages of 16 and 19 who is attending school, and who is at least two grade levels below the performance level for pupils of the same age in a locally determined achievement test, or is at least one year behind in obtaining credits for graduation, or is pregnant or is a parent, or has been assessed as chemically dependent; or

(c) any person between 16 and 21 years of age who has not attended a high school program for at least 15 consecutive school days, excluding those days when school is not in session, and who is at least two grade levels below the performance level for pupils of the same age in a locally determined achievement test, or is at least one year behind in obtaining credits for graduation, or is pregnant or is a parent, or has been assessed as chemically dependent; or

(d) any person who is at least 21 years of age and who:

(1) has received fewer than 14 years of public or nonpublic education, beginning at age 5;

(2) has ~~already completed the studies ordinarily required in the 10th grade but~~ has not completed the requirements for a high school diploma or the equivalent; and

(3) at the time of application, (i) is eligible for unemployment compensation benefits or has exhausted the benefits, (ii) is eligible for or is receiving income maintenance and support services, as defined in section 268.0111, subdivision 5, or (iii) is eligible for services under the displaced homemaker program, state wage-subsidy program, or any programs under the federal Jobs Training Partnership Act or its successor.

(e) an elementary school pupil who is determined by the district of attendance to be at risk of not succeeding in school is eligible to participate in the program.

Notwithstanding section 127.27, subdivision 7, the provisions of section 127.29, subdivision 1, do not apply to a pupil under age 21 who participates in the high school graduation incentives program.

Sec. 21. Minnesota Statutes 1990, section 126.22, subdivision 3, is amended to read:

Subd. 3. [ELIGIBLE PROGRAMS.] (a) A pupil who is eligible according to subdivision 2, clause (a), (b), (c), (d), or (e), may enroll in any program approved by the state board of education under

Minnesota Rules, part 3500.3500, or area learning centers under sections 124C.45 to 124C.48, or according to section 121.11, subdivision 12.

(b) A pupil who is eligible according to subdivision 2, clause (b), (c), or (d), may enroll in post-secondary courses under section 123.3514.

(c) A pupil who is eligible under subdivision 2, clause (a), (b), (c), (d), or (e), may enroll in any public elementary or secondary education program. However, a person who is eligible according to subdivision 2, clause (d), may enroll only if the school board has adopted a resolution approving the enrollment.

(d) A pupil who is eligible under subdivision 2, clause (a), (b), (c), or (e), may enroll part time or full time in any nonprofit, nonpublic, nonsectarian school that has contracted with the school district of residence to provide educational services.

(e) ~~An A pupil who is eligible institution providing eligible programs as defined in this under subdivision 2, clause (c) or (d), may contract with an entity providing enroll in any adult basic education programs approved under section 124.26 and operated under the community education program contained in section 121.88 for actual program costs.~~

Sec. 22. Minnesota Statutes 1990, section 126.22, is amended by adding a subdivision to read:

Subd. 3a. [ADDITIONAL ELIGIBLE PROGRAM.] A pupil who is at least 16 years of age, who is eligible under subdivision 2, clause (a), (b), or (c), and who has been enrolled only in a public school, if the pupil has been enrolled in any school, during the year immediately before transferring under this subdivision, may transfer to any nonprofit, nonpublic school that has contracted with the school district of residence to provide nonsectarian educational services. Such a school must enroll every eligible pupil who seeks to transfer to the school under this program subject to available space.

Sec. 23. Minnesota Statutes 1990, section 126.22, subdivision 4, is amended to read:

Subd. 4. [PUPIL ENROLLMENT.] Any eligible pupil under subdivision 2 may apply to enroll in an eligible program under subdivision 3, using the form specified in section 120.0752, subdivision 2. Notwithstanding section 120.0752, Approval of the resident district is not required for:

(1) an eligible pupil under subdivision 2 to enroll in a nonresident district that has an any eligible program in a nonresident district

under subdivision 3 or an area learning center established under section 124C.45; or

(2) an eligible pupil under subdivision 2, clause (c) or (d), to enroll in an adult basic education program approved under section 124.26.

Sec. 24. Minnesota Statutes 1990, section 126.22, subdivision 8, is amended to read:

Subd. 8. [ENROLLMENT VERIFICATION.] For a pupil attending an eligible program ~~full time~~ under subdivision 3, paragraph (d), the department of education shall pay ~~85~~ 88 percent of the basic revenue of the district to the eligible program and ~~15~~ 12 percent of the basic revenue to the resident district within 30 days after the eligible program verifies enrollment using the form provided by the department. ~~For a pupil attending an eligible program part time, basic revenue shall be reduced proportionately, according to the amount of time the pupil attends the program, and the payments to the eligible program and the resident district shall be reduced accordingly.~~ A pupil for whom payment is made according to this section may not be counted by any district for any purpose other than computation of basic revenue, according to section 124A.22, subdivision 2. If payment is made for a pupil under this subdivision, a school district shall not reimburse a program under section 126.23 for the same pupil.

Sec. 25. Minnesota Statutes 1990, section 126.22, is amended by adding a subdivision to read:

Subd. 9. [SEVERABILITY.] If for any reason any portion of this section is found by a court to be unconstitutional, the remaining portions of the section shall remain in effect.

Sec. 26. Minnesota Statutes 1990, section 145.926, is amended to read:

145.926 [WAY TO GROW/SCHOOL READINESS PROGRAM.]

Subdivision 1. [ADMINISTRATION.] The commissioner of state planning shall administer the way to grow/school readiness program, in ~~consultation~~ collaboration with the commissioners of health, human services and education, to promote intellectual, social, emotional, and physical development and school readiness of children prebirth to age ~~five~~ six 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.

Subd. 2. [PROGRAM COMPONENTS.] (a) A way to grow/school readiness program must:

(1) collaborate and coordinate delivery of services with other community organizations and agencies serving children prebirth to age six and their families;

(2) target services to families with children prebirth to age six with services increasing based on need;

(3) build on existing services and coordinate a continuum of prebirth to age six essential services, including but not limited to prenatal health services, parent education and support, and pre-school programs;

(4) provide strategic outreach efforts to families using trained paraprofessionals such as home visitors; and

(5) support of neighborhood oriented and culturally specific social support, information, outreach, and other programs to promote healthy development of children and to help parents obtain the information, resources, and parenting skills needed to nurture and care for their children.

(b) A way to grow/school readiness program may include:

(1) a program of home visitors to contact pregnant women early in their pregnancies, encourage them to obtain prenatal care, and provide social support, information, and referrals regarding prenatal care and well-baby care to reduce infant mortality, low birth weight, and childhood injury, disease, and disability;

(2) a program of home visitors to provide social support, information, and referrals regarding parenting skills and to encourage families to participate in parenting skills programs and other family supportive services;

(3) support of neighborhood-based or community-based parent-child and family resource centers or interdisciplinary resource teams to offer supportive services to families with preschool children;

(4) staff training, technical assistance, and incentives for collaboration designed to raise the quality of community services relating to prenatal care, child development, health, and school readiness;

(5) programs to raise general public awareness about practices that promote healthy child development and school readiness;

(6) support of neighborhood oriented and culturally specific social support, information, outreach, and other programs to promote healthy development of children and to help parents obtain the

~~information, resources, and parenting skills needed to nurture and care for their children;~~

~~(7)~~ programs to expand public and private collaboration to promote the development of a coordinated and culturally specific system of services available to all families;

~~(8)~~ ~~(7)~~ support of periodic screening and evaluation services for preschool children to assure adequate developmental progress;

~~(9)~~ ~~(8)~~ support of health, educational, and other developmental services needed by families with preschool children;

~~(10)~~ ~~(9)~~ support of family prevention and intervention programs needed to address risks of child abuse or neglect;

~~(11)~~ ~~(10)~~ development or support of a jurisdiction-wide coordinating agency to develop and oversee programs to enhance child health, development, and school readiness with special emphasis on neighborhoods with a high proportion of children in need; and

~~(12)~~ ~~(11)~~ other programs or services to improve the health, development, and school readiness of children in target neighborhoods and communities.

Subd. 3. [ELIGIBLE GRANTEES.] An application for a grant may be submitted by any of the following entities:

(1) a city, town, county, school district, or other local unit of government;

(2) two or more governmental units organized under a joint powers agreement;

(3) a community action agency that satisfies the requirements of section 268.53, subdivision 1; or

(4) a nonprofit organization, or consortium of nonprofit organizations, that demonstrates collaborative effort with at least one unit of local government.

Subd. 4. [PILOT PROJECTS DISTRIBUTION.] The commissioner of state planning 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 give priority to funding existing programs at their current levels.

To the extent possible, the commissioner of state planning 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.

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. 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; and
- (viii) school readiness of way to grow participants compared to nonparticipants.

Subd. 6. [MATCH.] Each dollar of state money must be matched with 50 cents of nonstate money. ~~The pilot project selected under subdivision 4, clause (4);~~ Programs may match state money with in-kind contributions, including volunteer assistance.

Subd. 7. [ADVISORY COMMITTEES.] The commissioner of state planning shall establish a program advisory committee consisting of persons knowledgeable in child development, child health and family services, ~~and the needs of people of color and high risk populations who reflect the geographic, cultural, racial, and ethnic diversity of the state;~~ and representatives of the commissioners of state planning ~~and~~ education, human services, and health. This program advisory committee shall review grant applications, assist in distribution of the grants, and monitor progress of the way to grow/school readiness program. 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.

Subd. 8. [REPORT.] ~~The commissioner of state planning shall provide a biennial report to the legislature on the program administration and the activities of projects funded under this section. The advisory committee shall report to the education committee of the legislature by January 15, 1993, on the evaluation required in subdivision 5, clause (6), and shall make recommendations for establishing successful way to grow programs in unserved areas of the state.~~

Sec. 27. [REPORT REQUIRED.]

School districts contracting with a nonprofit, nonpublic school must prepare for the department of education a report describing the nonsectarian educational services provided to eligible pupils under Minnesota Statutes, section 126.22, subdivision 3a. The department shall report to the education committees of the legislature at the end of each school year on districts' experiences in contracting.

Sec. 28. [COMMISSIONER OF EDUCATION TO ESTABLISH ELIGIBILITY STANDARDS.]

The commissioner of education shall establish standards to determine the eligibility of an individual to take a GED test at a reduced cost. The standards shall be established without rulemaking under Minnesota Statutes, chapter 14. The standards shall include the following:

(1) the individual shall have resided in Minnesota at least 90 days;

(2) the individual is not currently enrolled in a program leading to a high school diploma; and

(3) the individual shall not take more than three tests at a reduced cost.

Sec. 29. [EXPIRATION.]

Minnesota Statutes, section 126.22, subdivision 3a, expires July 1, 1993.

Sec. 30. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [ADULT BASIC EDUCATION AID.] For adult basic education aid according to Minnesota Statutes, section 124.26 in fiscal year 1992 and 124.2601 in fiscal year 1993:

\$5,902,000 1992

\$6,069,000 1993

The 1992 appropriation includes \$761,000 for 1991 and \$5,141,000 for 1992.

The 1993 appropriation includes \$907,000 for 1992 and \$5,162,000 for 1993.

Up to \$275,000 each year may be used for contracts with private, nonprofit organizations for approved programs.

Subd. 3. [ADULTS WITH DISABILITIES PROGRAM AID.] For adults with disabilities programs according to Minnesota Statutes, section 124.2715:

\$670,000 1992

\$670,000 1993

Any balance in the first year does not cancel and is available for the second year.

Subd. 4. [COMMUNITY EDUCATION AID.] For community education aid according to Minnesota Statutes, section 124.2713:

\$3,636,000 1992

\$3,464,000 1993

The 1992 appropriation includes \$498,000 for 1991 and \$3,138,000 for 1992.

The 1993 appropriation includes \$552,000 for 1992 and \$2,912,000 for 1993.

Subd. 5. [EARLY CHILDHOOD FAMILY EDUCATION AID.] For early childhood family education aid according to Minnesota Statutes, section 124.2711:

\$12,856,000 1992

\$12,624,000 1993

The 1992 appropriation includes \$1,549,000 for 1991 and \$11,307,000 for 1992.

The 1993 appropriation includes \$1,996,000 for 1992 and \$10,628,000 for 1993.

Subd. 6. [HEALTH AND DEVELOPMENTAL SCREENING AID.] For health and developmental screening aid according to Minnesota Statutes, sections 123.702 and 123.7045:

\$1,489,000 1992

\$1,607,000 1993

The 1992 appropriation includes \$86,000 for 1991 and \$1,403,000 for 1992.

The 1993 appropriation includes \$247,000 for 1992 and \$1,360,000 for 1993.

Any balance in the first year does not cancel but is available in the second year.

Subd. 7. [HEARING IMPAIRED ADULTS.] For programs for hearing impaired adults according to Minnesota Statutes, section 121.201:

\$70,000 1992

\$70,000 1993

Subd. 8. [ADULT GRADUATION AID.] For adult graduation aid:

\$1,331,000 1992

\$1,364,000 1993

The 1992 appropriation includes \$171,000 for 1991 and \$1,160,000 for 1992.

The 1993 appropriation includes \$204,000 for 1992 and \$1,160,000 for 1993.

Subd. 9. [GED TESTS.] For payment of 60 percent of the costs of GED tests:

\$180,000 1993

Subd. 10. [EVALUATION OF BASIC SKILLS PROGRAMS.] For continuing an independent statewide evaluation of basic skills programs:

\$75,000 1992

This appropriation is available until June 30, 1993. The commissioner shall contract with an organization that is not connected with the delivery system.

Subd. 11. [GED AND LEARN TO READ ON TV.] For statewide purchase of broadcast costs, publicity, and coordination of the GED on TV series and the learn to read on TV series:

\$100,000 1992

\$100,000 1993

The department may contract for these services.

Up to \$10,000 of this appropriation for each fiscal year is available to contract for these services.

Sec. 31. [APPROPRIATION.]

Subdivision 1. [STATE PLANNING AGENCY.] The sums indicated in this section are appropriated from the general fund to the state planning agency for the fiscal years designated.

Subd. 2. [WAY TO GROW.] For grants for way to grow programs according to Minnesota Statutes, section 145.926:

\$950,000 1992

This appropriation is available until June 30, 1993.

Sec. 32. Laws 1989, chapter 329, article 4, section 20, is amended to read:

Sec. 20. [REPEALER.]

Minnesota Statutes 1988, sections 123.703; 123.705; 124.271, subdivisions 2b, 3, 4, and 7; 129B.48; and 275.125, subdivision 8, are repealed July 1, 1989. Section 12, subdivision 3a, is repealed July 1, 1990. ~~Minnesota Statutes, sections 123.702 and 123.704, and Section 5, subdivision 3a, are~~ is repealed July 1, 1993 1992. Section 15 is repealed June 30, 1995.

Sec. 33. [REPEALER.]

Minnesota Statutes 1990, sections 123.706 and 123.707, are repealed.

Minnesota Statutes 1990, sections 124.2713, subdivision 4; and 275.125, subdivision 8b, are repealed. Minnesota Statutes 1990, section 124.26, subdivision 8, is repealed effective July 1, 1991. Minnesota Statutes 1990, section 124.26, subdivision 7, is repealed effective July 1, 1992.

Sec. 34. [EFFECTIVE DATE.]

Section 10, subdivision 4, is effective July 1, 1991. Section 10,

subdivisions 1, 2, 3, 5, 6, and 7, are effective July 1, 1992. Reimbursements according to section 11 are available July 1, 1992.

ARTICLE 5

FACILITIES AND EQUIPMENT

Section 1. Minnesota Statutes 1990, section 121.148, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER APPROVAL.] In determining whether to give a school facility a positive, negative, or unfavorable review and comment, the commissioner must evaluate the proposals for facilities using the information provided under section 121.15, subdivision 7.

The commissioner may submit a negative review and comment for a project if the district has not submitted its capital facilities plan required under section 124.243, subdivision 1, to the commissioner.

Sec. 2. Minnesota Statutes 1990, section 121.15, subdivision 7, is amended to read:

Subd. 7. [INFORMATION REQUIRED.] A school board proposing to construct a facility described in subdivision 6 shall submit to the commissioner a proposal containing information including at least the following:

(a) the geographic area proposed to be served, whether within or outside the boundaries of the school district;

(b) the people proposed to be served, including census findings and projections for the next ten years of the number of preschool and school-aged people in the area;

(c) the reasonably anticipated need for the facility or service to be provided;

(d) a description of the construction in reasonable detail, including: the expenditures contemplated; the estimated annual operating cost, including the anticipated salary and number of new staff necessitated by the proposal; and an evaluation of the energy efficiency and effectiveness of the construction, including estimated annual energy costs; and a description of the telephone capabilities of the facility and its classrooms;

(e) a description of existing facilities within the area to be served and within school districts adjacent to the area to be served; the extent to which existing facilities or services are used; the extent to which alternate space is available, including other school districts,

post-secondary institutions, other public or private buildings, or other noneducation community resources; and the anticipated effect that the facility will have on existing facilities and services;

(f) the anticipated benefit of the facility to the area;

(g) if known, the relationship of the proposed construction to any priorities that have been established for the area to be served;

(h) the availability and manner of financing the facility and the estimated date to begin and complete the facility;

(i) desegregation requirements that cannot be met by any other reasonable means;

(j) the relationship of the proposed facility to the cooperative integrated learning needs of the area; and

(k) the effects of the proposed facility on the district's operating budget.

Sec. 3. Minnesota Statutes 1990, section 121.15, subdivision 9, is amended to read:

Subd. 9. [PUBLICATION.] At least 20 days but not more than 60 days before a referendum for bonds or solicitation of bids to construct a facility described in subdivision 6, for a project that has received a positive or unfavorable review and comment under section 121.148, the school board shall publish the commissioner's review and comment of that project in the legal newspaper of the district. Supplementary information shall be available to the public.

Sec. 4. Minnesota Statutes 1990, section 121.155, is amended to read:

121.155 [JOINT POWERS AGREEMENTS FOR EDUCATIONAL FACILITIES.]

Subdivision 1. [INSTRUCTIONAL FACILITIES.] Any group of districts may form a joint powers district under section 471.59 representing all participating districts to build or acquire a facility to be used for instructional purposes. The joint powers board must submit the project for review and comment under section 121.15. The joint powers board must hold a hearing on the proposal. The joint powers district must submit the question of authorizing the borrowing of funds for the project to the voters of the joint powers district at a special election. The question submitted shall state the total amount of funding needed from all sources. The joint powers board may issue the bonds according to chapter 475 and certify the levy required by section 475.61 only if a majority of those voting on

the question vote in the affirmative and only after the school boards of each member district have adopted a resolution pledging the full faith and credit of that district. The resolution shall irrevocably commit that district to pay a proportionate share, based on pupil units, of any debt levy shortages that, together with other funds available, would allow the joint powers board to pay the principal and interest on the obligations. The district's payment of its proportionate share of the shortfall shall be made from the district's capital expenditure fund. The clerk of the joint powers board must certify the vote of the bond election to the commissioner of education.

Subd. 2. [SHARED FACILITIES.] A group of governmental units may form a joint powers district under section 471.59 representing all participating units to build or acquire a facility. The joint powers board must submit the project for review and comment under section 121.15. The joint powers board must hold a hearing on the proposal. The joint powers district must submit the question of authorizing the borrowing of funds for the project to the voters of the joint powers district at a special election. The question submitted shall state the total amount of funding needed from all sources. The joint powers board may issue the bonds according to chapter 475 and certify the levy required by section 475.61 only if a majority of those voting on the question vote in the affirmative and only after the boards of each member unit have adopted a resolution pledging the full faith and credit of that unit. The resolution must irrevocably commit that unit to pay an agreed upon share of any debt levy shortages that, together with other funds available, would allow the joint powers board to pay the principal and interest on the obligations. The clerk of the joint powers board must certify the vote of the bond election to the commissioner of education.

Sec. 5. Minnesota Statutes 1990, section 124.195, subdivision 9, is amended to read:

Subd. 9. [PAYMENT PERCENTAGE FOR CERTAIN AIDS.] One hundred percent of the aid for the current fiscal year must be paid for the following aids: management information center subsidies, according to section 121.935; reimbursement for transportation to post-secondary institutions, according to section 123.3514, subdivision 8; aid for the program for adults with disabilities, according to section 124.271, subdivision 7; school lunch aid, according to section 124.646; tribal contract school aid, according to section 124.85; hearing impaired support services aid, according to section 121.201; Indian post-secondary preparation grants according to section 124.481; ~~and~~ integration grants according to Laws 1989, chapter 329, article 8, section 14, subdivision 3; and debt service aid according to section 124.95, subdivision 5.

Sec. 6. Minnesota Statutes 1990, section 124.83, subdivision 4, is amended to read:

Subd. 4. [HEALTH AND SAFETY LEVY.] To receive health and safety revenue, a district may levy an amount equal to the district's health and safety revenue as defined in subdivision 3 multiplied by the lesser of one, or the ratio of:

(1) the quotient derived by dividing (a) the adjusted gross tax capacity for fiscal year 1991, and (b) the adjusted net tax capacity for 1992 and later fiscal years, of the district for the year preceding the year the levy is certified by the actual pupil units in the district for the school year to which the levy is attributable, to

(2) \$7,193.60 for fiscal year 1991 and \$5,304 for 1992 and later fiscal years \$3,515.

Sec. 7. [124.84] [HANDICAPPED ACCESS AND FIRE SAFETY IMPROVEMENTS TO SCHOOL BUILDINGS.]

Subdivision 1. [REMOVAL OF ARCHITECTURAL BARRIERS.] If a school board has insufficient money in its capital expenditure fund to remove architectural barriers from a building it owns in order to allow a pupil to attend a school in the pupil's attendance area or to meet the needs of an employee with a disability, a district may submit an application to the commissioner of education containing at least the following:

(1) program modifications that the board considered, such as relocating classrooms, providing an accessible unisex bathroom, providing alternative library resources, or using special equipment, such as bookcarts, and the reasons the modifications were not feasible;

(2) a description of the proposed building modifications and the cost of the modifications; and

(3) the age and market value of the building.

Individuals developing an application for a school district shall complete a workshop, developed jointly by the commissioner of education and the council on disability, about access criteria.

In consultation with the council on disability, the commissioner shall develop criteria to determine the cost effectiveness of removing barriers in older buildings.

The commissioner shall approve or disapprove an application within 60 days of receiving it.

Subd. 2. [FIRE SAFETY MODIFICATIONS.] If a school district has insufficient money in its capital expenditure fund to make modifications to a school building required by a fire inspection

conducted according to section 121.1502, the district may submit an application to the commissioner of education containing information required by the commissioner. The commissioner shall approve or disapprove of the application according to criteria established by the commissioner. The criteria shall take into consideration the cost effectiveness of making modifications to older buildings.

Subd. 3. [LEVY AUTHORITY.] The district may levy up to \$150,000 each year for two years, as approved by the commissioner.

Sec. 8. [124.95] [DEBT SERVICE EQUALIZATION PROGRAM.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the required debt service levy of a district is defined as follows:

(1) the amount needed to produce between five and six percent in excess of the amount needed to meet when due the principal and interest payments on the obligations of the district, including the amounts necessary for repayment of energy loans according to section 216C.37, debt service loans and capital loans, minus

(2) the amount of any surplus remaining in the debt service fund when the obligations and interest on them have been paid.

Subd. 2. [ELIGIBILITY.] To be eligible for debt service equalization revenue, the following conditions must be met:

(1) the required debt service levy of a district must exceed the amount raised by a level of eight percent times the adjusted net tax capacity of the district;

(2) for bond issues approved after July 1, 1990, the construction project must have received a positive review and comment according to section 121.15;

(3) the commissioner has determined that the district has met the criteria under section 124.431, subdivision 2, for new projects; and

(4) the bond schedule must be approved by the commissioner and, if necessary, adjusted to reflect a 20-year maturity schedule.

Subd. 3. [DEBT SERVICE EQUALIZATION REVENUE.] (a) For fiscal years 1995 and later, the debt service equalization revenue of a district equals the required debt service levy minus the amount raised by a levy of 12 percent times the adjusted net tax capacity of the district.

(b) For fiscal year 1993, debt service equalization revenue equals one-third of the amount calculated in paragraph (a).

(c) For fiscal year 1994, debt service equalization revenue equals two-thirds of the amount calculated in paragraph (a).

Subd. 4. [EQUALIZED DEBT SERVICE LEVY.] To obtain debt service equalization revenue, a district must levy an amount not to exceed the district's debt service equalization revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the actual pupil units in the district for the year to which the levy is attributable; or

(2) the equalizing factor as defined in section 124A.02, subdivision 8, for the year to which the levy is attributable.

Subd. 5. [DEBT SERVICE EQUALIZATION AID.] A district's debt service equalization aid is the difference between the debt service equalization revenue and the equalized debt service levy. A district's debt service equalization aid must not be prorated.

Subd. 6. [DEBT SERVICE EQUALIZATION AID PAYMENT SCHEDULE.] Debt service equalization aid must be paid as follows: one-third before September 15, one-third before December 15, and one-third before March 15 of each year.

Sec. 9. [124.96] [ANNUAL DEBT SERVICE EQUALIZATION AID APPROPRIATION.]

There is annually appropriated from the general fund to the department of education the amount necessary for debt service equalization aid. This amount must be reduced by the amount of any money specifically appropriated for the same purpose in any year from any state fund.

Sec. 10. [124.97] [DEBT SERVICE LEVY.]

A school district may levy the amounts necessary to make payments for bonds issued and for interest on them, including the bonds and interest on them, issued as authorized by Minnesota Statutes 1974, section 275.125, subdivision 3, clause (7)(C); and the amounts necessary for repayment of debt service loans and capital loans, minus the amount of debt service equalization revenue of the district.

Sec. 11. Minnesota Statutes 1990, section 272.02, subdivision 8, is amended to read:

Subd. 8. [PROPERTY LEASED TO SCHOOL DISTRICTS.] Prop-

erty that is leased or rented to a school district is exempt from taxation if it meets the following requirements:

(1) the lease must be for a period of at least 12 consecutive months;

(2) the terms of the lease must require the school district to pay a nominal consideration for use of the building;

(3) the school district must use the property to provide direct instruction in any grade from kindergarten through grade 12 ~~or~~; special education for handicapped children ~~or~~; adult basic and continuing education as described in section 124.26; preschool and early childhood family education; or community education programs, including provision of administrative services directly related to the educational program at that site; and

(4) the lease must provide that the school district has the exclusive use of the property during the lease period.

Sec. 12. Minnesota Statutes 1990, section 275.125, subdivision 4, is amended to read:

Subd. 4. [MISCELLANEOUS LEVY AUTHORIZATIONS.] (a) A school district may levy ~~the amounts necessary to make payments for bonds issued and for interest thereon, including the bonds and interest thereon, issued as authorized by Minnesota Statutes 1974, section 275.125, subdivision 3, clause (7)(C); the amounts necessary for repayment of debt service loans and capital loans; the amounts necessary to pay the district's obligations under section 6.62; the amount authorized for liabilities of dissolved districts pursuant to section 122.45; the amounts necessary to pay the district's obligations under section 268.06, subdivision 25; the amounts necessary to pay for job placement services offered to employees who may become eligible for benefits pursuant to section 268.08; the amounts necessary to pay the district's obligations under section 127.05; the amounts authorized by section 122.531; the amounts necessary to pay the district's obligations under section 122.533; and for severance pay required by this section and section 122.535, subdivision 6.~~

(b) An education district that negotiates a collective bargaining agreement for teachers under section 122.937 may certify to the department of education the amount necessary to pay all of the member districts' obligations and the education district's obligations under section 268.06, subdivision 25.

The department of education must allocate the levy amount proportionately among the member districts based on adjusted net tax capacity. The member districts must levy the amount allocated.

(c) Each year, a member district of an education district that levies

under this subdivision must transfer the amount of revenue certified under paragraph (b) to the education district board according to this subdivision. By June 20 and November 30 of each year, an amount must be transferred equal to:

(1) 50 percent times

(2) the amount certified in paragraph (b) minus homestead and agricultural credit aid allocated for that levy according to section 273.1398, subdivision 6.

Sec. 13. Minnesota Statutes 1990, section 275.125, subdivision 11d, is amended to read:

Subd. 11d. [~~EXTRA CAPITAL EXPENDITURE LEVY FOR LEASING BUILDINGS TO LEASE A BUILDING AND LAND.~~] When a district finds it economically advantageous to rent or lease a building or land for any instructional purposes and it determines that the capital expenditure facilities revenues authorized under section 124.243 are insufficient for this purpose, it may apply to the commissioner for permission to make an additional capital expenditure levy for this purpose. An application for permission to levy under this subdivision must contain financial justification for the proposed levy, the terms and conditions of the proposed lease, and a description of the space to be leased and its proposed use. The criteria for approval of applications to levy under this subdivision must include: the reasonableness of the price, the appropriateness of the space to the proposed activity, the feasibility of transporting pupils to the leased building or land, conformity of the lease to the laws and rules of the state of Minnesota, and the appropriateness of the proposed lease to the space needs and the financial condition of the district. The commissioner must not authorize a levy under this subdivision in an amount greater than the cost to the district of renting or leasing a building or land for approved purposes. The proceeds of this levy must not be used for leasing or renting a facility owned by a district or for custodial or other maintenance services.

Sec. 14. [373.42] [COUNTY FACILITIES GROUP.]

Subdivision 1. [ESTABLISHMENT.] Each county outside of the seven-county metropolitan area must establish a county facilities group by July 1, 1992.

Subd. 2. [MEMBERSHIP.] A county facilities group consists of at least one representative from the county board, one representative from each city located within the county, one representative from each school district located within the county, up to three representatives of townships selected by the county board, and two other members selected by the county board.

Subd. 3. [DUTIES.] The county facilities group shall develop an inventory of all public buildings located within the county. The inventory shall include an assessment of the condition of each public building and document any under used space in the buildings.

Subd. 4. [COMMENT.] The county facilities group shall review and comment on any proposed joint facility and may submit comments to the commissioner of education on any school district facility that is proposed within the county.

Sec. 15. [473.23] [PUBLIC FACILITIES REVIEW.]

Subdivision 1. [INVENTORY.] The metropolitan council, in consultation with appropriate state agencies and local officials, must develop an inventory of all public buildings located within the metropolitan area. The inventory must include an assessment of the condition of each public building and document any under used space in the buildings.

Subd. 2. [SHARED FACILITIES.] The metropolitan council must review and comment on any joint facility proposed under section 121.155 and may submit comments to the commissioner of education on any school district facility that is proposed within the metropolitan area.

Sec. 16. [APPLICATION.]

Section 15 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 17. [HEALTH AND SAFETY LEVY ADJUSTMENT.]

The department of education shall adjust the 1991 payable 1992 levy for each school district or intermediate district by the amount of the change in the district's health and safety levy for fiscal year 1992 according to Minnesota Statutes, section 124.83, subdivision 4, resulting from the change to the health and safety equalizing factor. Notwithstanding Minnesota Statutes, section 121.904, the entire amount of this levy must be recognized as revenue for fiscal year 1992.

Sec. 18. [BONDS FOR CERTAIN CAPITAL FACILITIES.]

In addition to other bonding authority, with approval of the commissioner, independent school districts No. 393, LeSueur, No. 508, St. Peter, and No. 734, Henderson, may issue general obligation bonds for certain capital projects under this section. The bonds must be used only to make capital improvements including equipping school buildings, improving handicap accessibility to school

buildings, and bringing school buildings into compliance with fire codes.

Before a district issues bonds under this subdivision, it must publish notice of the intended projects, related costs, and the total amount of district indebtedness.

A bond issue tentatively authorized by the board under this subdivision becomes finally authorized unless a petition signed by more than 15 percent of the registered voters of the school district is filed with the school board within 30 days of the board's action. The percentage is to be determined with reference to the number of registered voters in the school district on the last day before the petition is filed with the school board. The petition must call for a referendum on the question of whether to issue the bonds for the projects under this section. The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this section.

The bonds may be issued in a principal amount, that when combined with interest thereon, will be paid off with 50 percent of current and anticipated revenue for capital facilities under this section or a successor section for the current year plus projected revenue not greater than the current year for the next ten years. Once finally authorized, the district must set aside 50 percent of the current year's revenue for capital facilities under this section or a successor section each year in a separate account until all principal and interest on the bonds is paid. The district must annually transfer this amount from its capital fund to the debt redemption fund. The bonds must be paid off within ten years of issuance. The bonds must be issued in compliance with Minnesota Statutes, chapter 475, except as otherwise provided in this section.

Sec. 19. [HUTCHINSON SCHOOL DISTRICT LEASE PURCHASE LEVY.]

Notwithstanding Minnesota Statutes, section 275.125 or other law, independent school district No. 423, Hutchinson, may levy each year for the annual payments required on a lease purchase agreement for a facility for level V emotionally and behaviorally disturbed special education students.

Sec. 20. [ST. PAUL SCHOOL DISTRICT BONDS.]

Subdivision 1. [BONDING AUTHORIZATION.] To provide funds to acquire or better school facilities, independent school district No. 625 may by two-thirds majority vote of all the members of the board of directors issue general obligation bonds in one or more series in calendar years 1992 to 1996 as provided in this section. The aggregate principal amount of any bonds issued under this section in calendar year 1992 must not exceed \$12,700,000 and in calendar

years 1993 to 1996 must not exceed \$9,000,000 each year. Issuance of the bonds is not subject to Minnesota Statutes, section 475.58 or 475.59. As with other bonds issued by independent school district No. 625, the first sentence of Minnesota Statutes, section 475.53, subdivision 5, does not apply to issuance of the bonds. The bonds must otherwise be issued as provided in Minnesota Statutes, chapter 475. The authority to issue bonds under this section is in addition to any bonding authority authorized by Minnesota Statutes, chapter 124, or other law. The amount of bonding authority authorized under this section must be disregarded in calculating the bonding or net debt limits of Minnesota Statutes, chapter 124, or any other law other than Minnesota Statutes, section 475.53, subdivision 4.

Subd. 2. [TAX LEVY FOR DEBT SERVICE.] To pay the principal of and interest on bonds issued under subdivision 1, independent school district No. 625 must levy a tax annually in an amount required under Minnesota Statutes, section 475.61, subdivisions 1 and 3. The tax authorized under this section is in addition to the taxes authorized to be levied under Minnesota Statutes, chapter 124A or 275, or other law.

Sec. 21. [TAXPAYER NOTIFICATION.]

Subdivision 1. [APPLICABILITY.] This section applies to bonding authority granted under section 20.

Subd. 2. [NOTICE.] (a) A school board must prepare a notice of the public meeting on the proposed sale of all or any of the bonds and mail the notice to each postal patron residing within the school district. The notice must be mailed at least 15 days but not more than 30 days before the meeting. Notice of the meeting must also be posted in the administrative office of the school district and must be published twice during the 14 days before the meeting in the official newspaper of the city in which the school district is located.

(b) The notice must contain the following information:

(1) the proposed dollar amount of bonds to be issued;

(2) the dollar amount of the levy increase necessary to pay the principal and interest on the newly authorized bonds;

(3) the estimated levy amount and net tax capacity rate necessary to make the debt service payments on any existing outstanding debt;

(4) the projected effects on individual property types; and

(5) the required levy and principal and interest on all outstanding bonds in addition to the bonds proposed under clause (1).

(c) To comply with paragraph (b), clause (4), the notice must show the projected annual dollar increase and net tax capacity rate increase for a representative range of residential homestead, residential nonhomestead, apartments, and commercial-industrial properties located within each state senate district in the school district.

Subd. 3. [BOND AUTHORIZATION.] A school board may vote to issue bonds newly authorized under section 20 only after complying with the requirements of subdivision 2.

Sec. 22. [EFFECTIVE DATE; LOCAL APPROVAL.]

Sections 20 and 21 are effective the day after the governing body of independent school district No. 625 complies with Minnesota Statutes, sections 645.021, subdivision 3.

Sec. 23. [MAXIMUM EFFORT CAPITAL LOAN DEBT REDEMPTION EXCESS.]

(a) Notwithstanding Minnesota Statutes, section 124.431, subdivision 11, or any other law to the contrary, a school district having an outstanding capital loan that has an excess amount in the debt redemption fund as calculated according to Minnesota Statutes, section 124.431, subdivision 11, may apply to the commissioner for an adjustment to the amount of excess owed to the state. The commissioner may reduce the excess that a district owes the state if a district's capital loan is outstanding and if the commissioner determines that any of the following conditions apply:

(1) a district is likely to incur a substantial property tax delinquency that will adversely affect the district's ability to make its scheduled bond payments;

(2) a district's agreement with its bondholders or its taxpayers could be impaired; or

(3) the district's tax capacity per pupil is less than one-tenth of the equalizing factor as defined in Minnesota Statutes, section 124A.02, subdivision 8.

(b) The amount of the excess that may be forgiven may not exceed \$200,000 in a single year for any district.

Sec. 24. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [CAPITAL EXPENDITURE FACILITIES AID.] For capital expenditure facilities aid according to Minnesota Statutes, section 124.243, subdivision 5:

\$73,185,000 1992

\$72,731,000 1993

The 1992 appropriation includes \$10,920,000 for 1991 and \$62,265,000 for 1992.

The 1993 appropriation includes \$10,988,000 for 1992 and \$61,743,000 for 1993.

Subd. 3. [CAPITAL EXPENDITURE EQUIPMENT AID.] For capital expenditure equipment aid according to Minnesota Statutes, section 124.244, subdivision 3:

\$36,593,000 1992

\$36,365,000 1993

The 1992 appropriation includes \$5,460,000 for 1991 and \$31,133,000 for 1992.

The 1993 appropriation includes \$5,493,000 for 1992 and \$30,872,000 for 1993.

Subd. 4. [HEALTH AND SAFETY AID.] For health and safety aid according to Minnesota Statutes, section 124.83, subdivision 5:

\$11,560,000 1992

\$11,351,000 1993

The 1992 appropriation includes \$1,650,000 for 1991 and \$9,910,000 for 1992.

The 1993 appropriation includes \$1,748,000 for 1992 and \$9,603,000 for 1993.

For fiscal year 1993, total health and safety revenue may not exceed \$58,800,000. The state board of education shall establish criteria for prioritizing district health and safety project applications not to exceed this amount. The criteria may not discriminate

between the number of pupils in and the geographic location of school districts.

Subd. 5. [MAXIMUM EFFORT SCHOOL LOAN FUND.] For the maximum effort school loan fund:

\$ 6,139,000 1993

These appropriations shall be placed in the loan repayment account of the maximum effort school loan fund for the payment of the principal and interest on school loan bonds, as provided in Minnesota Statutes, section 124.46, to the extent that money in the fund is not sufficient to pay when due the full amount of principal and interest due on school loan bonds. The purpose of these appropriations is to ensure that sufficient money is available in the fund to prevent a statewide property tax levy as would otherwise be required pursuant to Minnesota Statutes, section 124.46, subdivision 3. Notwithstanding the provisions of Minnesota Statutes, section 124.39, subdivision 5, any amount of the appropriation made in this section which is not needed to pay when due the principal and interest due on school loan bonds shall not be transferred to the debt service loan account of the maximum effort school loan fund but instead shall cancel to the general fund.

Subd. 6. [DEBT SERVICE AID.] For debt service aid according to Minnesota Statutes, section 124.95, subdivision 5:

\$4,950,000 1993

Sec. 25. [EFFECTIVE DATE.]

Sections 5, 8, 9, 10, and 12 are effective for revenue for fiscal year 1993.

Section 7 is effective for revenue for fiscal year 1994.

ARTICLE 6

EDUCATION ORGANIZATION AND COOPERATION

Section 1. Minnesota Statutes 1990, section 120.08, subdivision 3, is amended to read:

Subd. 3. [SEVERANCE PAY.] A district shall pay severance pay to a teacher who is:

(1) placed on unrequested leave of absence by the district ~~because the teacher's position is discontinued~~ as a result of an agreement under this section; and

(2) not employed by another district for the school year following the teacher's placement on unrequested leave of absence. A teacher is eligible under this subdivision if the teacher:

(1) is a teacher, as defined in section 125.12, subdivision 1, but not a superintendent;

(2) has a continuing contract with the district according to section 125.12, subdivision 4.

The amount of severance pay shall be equal to the teacher's salary for the school year during which the teacher was placed on unrequested leave of absence minus the gross amount the teacher was paid during the 12 months following the teacher's termination of salary, by an entity whose teachers by statute or rule must possess a valid Minnesota teaching license, and minus the amount a teacher receives as severance or other similar pay according to a contract with the district or district policy. These entities include, but are not limited to, the school district that placed the teacher on unrequested leave of absence, another school district in Minnesota, an education district, an intermediate school district, an ECSU, a board formed under section 471.59, a technical college, a state residential academy, the Minnesota center for arts education, a vocational center, or a special education cooperative. These entities do not include a school district in another state, a Minnesota public post-secondary institution, or a state agency. Only amounts earned by the teacher as a substitute teacher or in a position requiring a valid Minnesota teaching license shall be subtracted. A teacher may decline any offer of employment as a teacher without loss of rights to severance pay.

To determine the amount of severance pay that is due for the first six months following termination of the teacher's salary, the district may require the teacher to provide documented evidence of the teacher's employers and gross earnings during that period. The district shall pay the teacher the amount of severance pay it determines to be due from the proceeds of the levy for this purpose. To determine the amount of severance pay that is due for the second six months of the 12 months following the termination of the teacher's salary, the district may require the teacher to provide documented evidence of the teacher's employers and gross earnings during that period. The district shall pay the teacher the amount of severance pay it determines to be due from the proceeds of the levy for this purpose.

A teacher who receives severance pay under this subdivision waives all further reinstatement rights under section 125.12, subdivision 6a or 6b. If the teacher receives severance pay, the teacher shall not receive credit for any years of service in the district paying severance pay prior to the year in which the teacher becomes eligible to receive severance pay.

The severance pay shall be equivalent to the teacher's salary for one year and is subject to section 465.72. The district may levy annually according to section 275.125, subdivision 4, for the severance pay.

Sec. 2. Minnesota Statutes 1990, section 121.912, is amended by adding a subdivision to read:

Subd. 6. [ACCOUNT TRANSFER FOR REORGANIZING DISTRICTS.] A school district that has reorganized according to section 122.22, 122.23, or sections 122.241 to 122.248 may make permanent transfers between any of the funds in the newly created or enlarged district with the exception of the debt redemption fund. Fund transfers under this section may be made only during the year following the effective date of reorganization.

Sec. 3. [121.915] [REORGANIZATION OPERATING DEBT.]

The "reorganization operating debt" of a school district means the net negative undesignated fund balance in all school district funds, other than capital expenditure, building construction, debt redemption, trust and agency, and post-secondary vocational technical education funds, calculated in accordance with the uniform financial accounting and reporting standards for Minnesota school districts as of:

(1) June 30 of the fiscal year before the first year that a district receives revenue according to section 124.2725; or

(2) June 30 of the fiscal year before the effective date of reorganization according to section 122.22 or 122.23.

Sec. 4. Minnesota Statutes 1990, section 121.935, is amended by adding a subdivision to read:

Subd. 5a. [DISTRICT COMPUTING SUBSIDIES.] The appropriation for regional management information centers shall be allocated among the centers according to the allocation for fiscal year 1991. Any part of the appropriation for fiscal year 1991 that was not distributed directly to the centers shall be added to the allocation according to the proportions each center received for fiscal year 1991. Payment of the amount appropriated shall be to school districts. Each school district shall receive a payment equal to:

(1) the number of pupil units in the district divided by the number of pupil units in all of the districts that are members of the center; times

(2) the allocation for the center of which the district is a member.

The payment shall be used by the district to purchase services from a regional management information center, another school district, or other provider, or to provide the services. The payment shall be deposited in the district's capital expenditure fund.

Sec. 5. Minnesota Statutes 1990, section 121.935, is amended by adding a subdivision to read:

Subd. 7. [LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT.] (a) No school district shall be required by any type of formal or informal agreement, including a joint powers agreement, or otherwise to participate in or provide financial support for the purposes of the agreement for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) This subdivision shall not affect the continued liability of a school district for its share of bonded indebtedness or other debt incurred as a result of any agreement before the effective date of this section. The school district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on the effective date of this section, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on the effective date of this section if the annual payments of the school district are not increased and if the total obligation of the school district for its share of outstanding bonds or other debt is not increased.

(c) To cease participating in or providing financial support for any of the services or activities relating to the agreement or to terminate participation in the agreement, the school board shall adopt a resolution and notify other parties to the agreement of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year or, at the option of the school board, June 30 of the following fiscal year.

(d) Before issuing bonds or incurring other debt, the governing body responsible for implementing the agreement shall adopt a resolution proposing to issue bonds or incur other debt and the proposed financial effect of the bonds or other debt upon each participating district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in article 9, section 33, and sections 125.12 and 125.17. The governing body responsible for implementing the agreement shall notify each participating school board of the contents of the resolution. Within 120 days of receiving the resolution of the governing body, the school board of the participating district shall adopt a resolution stating:

(1) its concurrence with issuing bonds or incurring other debt;

(2) its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt; or

(3) its intention to terminate participation in the agreement.

A school board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the governing body implementing the agreement. A school board adopting a resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the governing body, related to the services or activities in which the district ceases participating or providing financial support. A school board adopting a resolution according to clause (3) is not liable for the bonded indebtedness or other debt proposed by the governing body implementing the agreement.

(e) After the effective date of this section, a district is liable according to paragraph (d) for its share of bonded indebtedness or other debt incurred by the governing body implementing the agreement to the extent that the bonds or other debt are directly related to the services or activities in which the district participates or for which the district provides financial support. The district has continued liability only until the obligation or debt is discharged and only according to the payment schedule in effect at the time the governing body implementing the agreement provides notice to the school board, except that the payment schedule may be altered for the purpose of refunding the outstanding bonds or restructuring other debt if the annual payments of the district are not increased and if the total obligation of the district for the outstanding bonds or other debt is not increased.

Sec. 6. Minnesota Statutes 1990, section 122.22, subdivision 7a, is amended to read:

Subd. 7a. Before the day of a hearing ordered pursuant to this section, each district adjoining the district proposed for dissolution shall provide the following information and resolution to the county auditor of the county containing the greatest land area of the district proposed for dissolution:

(a) The outstanding bonded debt, outstanding energy loans made according to section 216C.37 or sections 298.292 to 298.298, and the capital loan obligation of the district;

(b) The net tax capacity of the district;

(c) The most current school tax rates for the district, including any referendum, discretionary, or other optional levies being assessed currently and the expected duration of the levies;

(d) A resolution passed by the school board of the district stating that if taxable property of the dissolved district is attached to it, one of the following requirements is imposed: (1) the taxable property of the dissolving district which is attached to its district shall not be liable for the bonded debt, outstanding energy loans made according to section 216C.37 or sections 298.292 to 298.298, or the capital loan obligation of the district which existed as of the time of the attachment; (2) the taxable property of the dissolving district which is attached to its district shall be liable for the payment of the bonded debt, outstanding energy loans made according to section 216C.37 or sections 298.292 to 298.298, or the capital loan obligation of the district which existed as of the time of the attachment in the proportion which the net tax capacity of that part of the dissolving district which is included in the newly enlarged district bears to the net tax capacity of the entire district as of the time of attachment; or (3) the taxable property of the dissolving district which is attached to its district shall be liable for some specified portion of the amount that could be requested pursuant to subclause (2).

An apportionment pursuant to subclause (2) or (3) shall be made by the county auditor of the county containing the greatest land area of the district proposed for transfer.

An apportionment of bonded indebtedness, outstanding energy loans made according to section 216C.37 or sections 298.292 to 298.298, or capital loan obligation pursuant to subclause (2) or (3) shall not relieve any property from any tax liability for payment of any bonded or capital obligation, but taxable property in a district enlarged pursuant to this section becomes primarily liable for the payment of the bonded debt, outstanding energy loans made according to section 216C.37 or sections 298.292 to 298.298, or capital loan obligation to the extent of the proportion stated.

Sec. 7. Minnesota Statutes 1990, section 122.22, subdivision 9, is amended to read:

Subd. 9. An order issued under subdivision 8, clause (b), shall contain the following:

(a) A statement that the district is dissolved unless the results of an election held pursuant to subdivision 11 provide otherwise;

(b) A description by words or plat or both showing the disposition of territory in the district to be dissolved;

(c) The outstanding bonded debt, outstanding energy loans made according to section 216C.37 or sections 298.292 to 298.298, and the capital loan obligation of the district to be dissolved;

(d) A statement requiring the fulfillment of the requirements imposed by each adjoining district to which territory in the dissolving district is to be attached regarding the assumption of its outstanding preexisting bonded indebtedness by any territory from the dissolving district which is attached to it;

(e) An effective date for the order. The effective date shall be at least three months after the date of the order, and shall be July 1 of an odd-numbered year; and

(f) Other information the county board may desire to include.

The auditor shall within ten days from its issuance serve a copy of the order by mail upon the clerk of the district to be dissolved and upon the clerk of each district to which the order attaches any territory of the district to be dissolved and upon the auditor of each other county in which all or any part of the district to be dissolved or any district to which the order attaches territory lies, and upon the commissioner.

Sec. 8. Minnesota Statutes 1990, section 122.23, subdivision 2, is amended to read:

Subd. 2. (a) Upon a resolution of a school board in the area proposed for consolidation or upon receipt of a petition therefor executed by 25 percent of the voters resident in the area proposed for consolidation or by 50 such voters, whichever is lesser, the county auditor of the county which contains the greatest land area of the proposed new district shall forthwith cause a plat to be prepared. The resolution or petition shall show the approximate area proposed for consolidation.

(b) The resolution or petition may propose ~~either~~ the following:

(1) that the bonded debt of the component districts will be paid according to the levies previously made for that debt under chapter 475, as provided in subdivision 16a, or that the taxable property in the newly created district will be taxable for the payment of all or a portion of the bonded debt previously incurred by any component district as provided in subdivision 16b. ~~The resolution or petition may also propose;~~

(2) that obligations for a capital loan or an energy loan made according to section 216C.37 or sections 298.292 to 298.298 outstanding in a preexisting district as of the effective date of consolidation remain solely with the preexisting district that obtained the loan, or that all or a portion of the loan obligations will be assumed by the newly created or enlarged district and paid by the newly created or enlarged district on behalf of the preexisting district that obtained the loan;

~~(e)~~ (3) that referendum levies previously approved by voters of the component districts pursuant to section 124A.03, subdivision 2, or its predecessor provision, be combined as provided in section 122.531, subdivision 2a or 2b, or that the referendum levies be discontinued. ~~The resolution or petition may also propose;~~

(4) that the board of the newly created district consist of seven members, ~~and may also propose the establishment of; or~~

(5) that separate election districts from which school board members will be elected, the boundaries of these election districts, and the initial term of the member elected from each of these election districts be established. If a county auditor receives more than one request for a plat and the requests involve parts of identical districts, the auditor shall forthwith prepare a plat which in the auditor's opinion best serves the educational interests of the inhabitants of the districts or areas affected.

(c) The plat shall show:

~~(a)~~ (1) Boundaries of the proposed district, as determined by the county auditor, and present district boundaries,

~~(b)~~ (2) The location of school buildings in the area proposed as a new district and the location of school buildings in adjoining districts,

~~(c)~~ (3) The boundaries of any proposed separate election districts, and

~~(d)~~ (4) Other pertinent information as determined by the county auditor.

Sec. 9. Minnesota Statutes 1990, section 122.23, subdivision 3, is amended to read:

Subd. 3. A supporting statement to accompany the plat shall be prepared by the county auditor. The statement shall contain:

(a) The adjusted net tax capacity of property in the proposed district,

(b) If a part of any district is included in the proposed new district, the adjusted net tax capacity of the property and the approximate number of pupils residing in the part of the district included shall be shown separately and the adjusted net tax capacity of the property and the approximate number of pupils residing in the part of the district not included shall also be shown,

(c) The reasons for the proposed consolidation, including a statement that at the time the plat is submitted to the state board of education, no proceedings are pending to dissolve any district involved in the plat unless all of the district to be dissolved and all of each district to which attachment is proposed is included in the plat,

(d) A statement showing that the jurisdictional fact requirements of subdivision 1 are met by the proposal,

(e) Any proposal contained in the resolution or petition regarding the disposition of the bonded debt, outstanding energy loans made according to section 216C.37 or sections 298.292 to 298.298, capital loan obligations, or referendum levies of component districts,

(f) Any other information the county auditor desires to include, and

(g) The signature of the county auditor.

Sec. 10. Minnesota Statutes 1990, section 122.241, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] Sections 122.241 to 122.248 establish procedures for school boards that adopt, by resolution, a five-year written agreement:

(1) to provide at least secondary instruction cooperatively for at least one or two years, if the districts cooperate according to subdivision 2; and

(2) to combine into one district ~~after cooperating.~~

Sec. 11. Minnesota Statutes 1990, section 122.241, subdivision 2, is amended to read:

Subd. 2. [COOPERATION REQUIREMENTS.] Cooperating districts shall:

(1) implement a written agreement according to section 122.541 no later than the first year of cooperation;

(2) all be members of one education district, if any one of the districts is a member, no later than the end of the second year of cooperation; and

(3) all be members of one ECSU, if any one of the districts is a member.

Clause (1) does not apply to a district that implemented an agreement for secondary education, according to section 122.535, during any year before the 1991-1992 school year. If the districts cooperate for one or more years, the agreement may be continued during those years.

Sec. 12. Minnesota Statutes 1990, section 122.242, subdivision 9, is amended to read:

Subd. 9. [FINANCES.] The plan must state:

(1) whether debt service for the bonds outstanding at the time of combination remains solely with the district that issued the bonds or whether all or a portion of the debt service for the bonds will be assumed by the combined district and paid by the combined district on behalf of the district that issued the bonds;

(2) whether obligations for a capital loan or energy loan made according to section 216C.37 or sections 298.292 to 298.298 outstanding at the time of combination remain solely with the district that obtained the loan, or whether all or a portion of all the loan obligations will be assumed by the combined district and paid by the combined district on behalf of the district that obtained the loan;

(3) the treatment of debt service levies and referendum levies;

~~(3)~~ (4) whether the cooperating or combined district will levy for reorganization operating debt according to section 3, clause (1); and

(5) two-, five-, and ten-year projections, prepared by the department of education upon the request of any district, of revenues, expenditures, and property taxes for each district if it cooperated and combined and if it did not.

Sec. 13. Minnesota Statutes 1990, section 122.243, subdivision 2, is amended to read:

Subd. 2. [VOTER APPROVAL.] ~~During the first or second year of cooperation,~~ A referendum on the question of combination shall be conducted during the first or second year of cooperation for districts that cooperate according to section 122.241, or no more than 18 months before the effective date of combination for districts that do not cooperate. The referendum shall be on a date called by the school boards. The referendum shall be conducted by the school boards according to the Minnesota election law, as defined in section 200.01. If the referendum fails, the same question or a modified question may be submitted the following school year. If a question is submitted, the second referendum must be conducted on a date before October 1. If the referendum fails again, ~~the same question may not be submitted~~ districts shall modify their cooperation and combina-

tion plan. A different question third referendum may be submitted conducted on any date before October 1. Referendums shall be conducted on the same date in all districts.

Sec. 14. Minnesota Statutes 1990, section 122.247, is amended by adding a subdivision to read:

Subd. 2a. [CAPITAL LOAN.] The combined school board may levy for the obligations for a capital loan outstanding at the time of combination, consistent with the plan adopted according to section 122.242 and any subsequent modifications. The primary obligation to levy as required by the capital loan remains with taxable property in the preexisting district that obtained the capital loan. However, the obligation of a capital loan may be extended to all of the taxable property in the combined district.

Sec. 15. Minnesota Statutes 1990, section 122.247, subdivision 3, is amended to read:

Subd. 3. [TRANSITIONAL LEVY.] The board of the combined district, or the boards of combining districts that have received voter approval for the combination under section 122.243, subdivision 2, may levy for the expenses of negotiation, administrative expenses directly related to the transition from cooperation to combination, and the cost of necessary new athletic and music uniforms. The board or boards may levy this amount over three or fewer years. All expenses must be approved by the state board of education.

Sec. 16. Minnesota Statutes 1990, section 122.531, is amended by adding a subdivision to read:

Subd. 4a. [REORGANIZATION OPERATING DEBT LEVIES.] (a) A district that is cooperating or has combined according to sections 122.241 to 122.248 may levy to eliminate reorganization operating debt as defined in section 3, clause (1). The amount of the debt must be certified over a period of five years. After the effective date of combination according to sections 122.241 to 122.248, the levy may be certified and spread only either on the property in the combined district that would have been taxable in the preexisting district that incurred the debt or on all of the taxable property in the combined district.

(b) A district that has reorganized according to section 122.22 or 122.23 may levy to eliminate reorganization operating debt as defined in section 3, clause (2). The amount of debt must be certified over a period not to exceed five years and may be spread either only on the property in the newly created or enlarged district which was taxable in the preexisting district that incurred the debt or on all of the taxable property in the newly created or enlarged district.

Sec. 17. [122.5311] [OBLIGATIONS UPON DISTRICT REORGANIZATION.]

Subdivision 1. [CAPITAL LOAN OBLIGATIONS.] If a district has a capital loan outstanding at the time of reorganization according to section 122.22, 122.23, or sections 122.241 to 122.248, and if the plan for reorganization provides for payment of all or a portion of the capital loan obligation by the newly created or enlarged district or makes no provision for payment, all of the taxable property in the newly created or enlarged district is taxable for the payment to the extent stated in the plan. Notwithstanding any contract to the contrary, if all of the taxable property in the newly created or enlarged district is taxable for the payment of the capital loan and until the capital loan is retired or cancelled, the maximum effort debt service levy shall be recalculated annually by the department of education to be equal to the required debt service levy plus an additional amount. The additional amount shall be the greater of:

(i) zero, or

(ii) the maximum effort debt service levy of the preexisting district minus the required debt service levy of the preexisting district that received the capital loan.

For the purpose of the recalculation, additional bond issues after the date of the reorganization shall not impact the maximum effort debt service levy or the required debt service levy.

Notwithstanding any contract to the contrary, the plan for reorganization may specify that the obligation for a capital loan remains solely with the preexisting district that incurred the obligation. This subdivision does not relieve any property from any tax liability for payment of any capital loan obligation.

Subd. 2. [ENERGY LOAN OBLIGATIONS.] If a district has an energy loan outstanding at the time of reorganization according to section 122.22, 122.23, or sections 122.241 to 122.248, and if the plan for reorganization provides for payment of all or a portion of the energy loan obligation by the newly created or enlarged district or makes no provision for payment, all of the taxable property in the newly created or enlarged district is taxable for the payment.

Notwithstanding any contract to the contrary, the plan for reorganization may specify that the obligation for an energy loan remains solely with the preexisting district that incurred the obligation. This subdivision does not relieve any property from any tax liability for payment of any energy loan obligation.

Sec. 18. Minnesota Statutes 1990, section 122.535, subdivision 6, is amended to read:

Subd. 6. [SEVERANCE PAY.] A district shall pay severance pay to a teacher who is:

(1) placed on unrequested leave of absence by the district because the teacher's position is discontinued as a result of the agreement; and

(2) not employed by another district for the school year following the teacher's placement on unrequested leave of absence. A teacher is eligible under this subdivision if the teacher:

(1) is a teacher, as defined in section 125.12, subdivision 1, but not a superintendent;

(2) has a continuing contract with the district according to section 125.12, subdivision 4.

The amount of severance pay shall be equal to the teacher's salary for the school year during which the teacher was placed on unrequested leave of absence minus the gross amount the teacher was paid during the 12 months following the teacher's termination of salary, by an entity whose teachers by statute or rule must possess a valid Minnesota teaching license, and minus the amount a teacher receives as severance or other similar pay according to a contract with the district or district policy. These entities include, but are not limited to, the school district that placed the teacher on unrequested leave of absence, another school district in Minnesota, an education district, an intermediate school district, an ECSU, a board formed under section 471.59, a technical college, a state residential academy, the Minnesota center for arts education, a vocational center, or a special education cooperative. These entities do not include a school district in another state, a Minnesota public post-secondary institution, or a state agency. Only amounts earned by the teacher as a substitute teacher or in a position requiring a valid Minnesota teaching license shall be subtracted. A teacher may decline any offer of employment as a teacher without loss of rights to severance pay.

To determine the amount of severance pay that is due for the first six months following termination of the teacher's salary, the district may require the teacher to provide documented evidence of the teacher's employers and gross earnings during that period. The district shall pay the teacher the amount of severance pay it determines to be due from the proceeds of the levy for this purpose. To determine the amount of severance pay that is due for the second six months of the 12 months following the termination of the teacher's salary, the district may require the teacher to provide documented evidence of the teacher's employers and gross earnings during that period. The district shall pay the teacher the amount of severance pay it determines to be due from the proceeds of the levy for this purpose.

A teacher who receives severance pay under this subdivision waives all further reinstatement rights under section 125.12, subdivision 6a or 6b. If the teacher receives severance pay, the teacher shall not receive credit for any years of service in the district paying severance pay prior to the year in which the teacher becomes eligible to receive severance pay.

The severance pay shall be equivalent to the teacher's salary for one year and is subject to section 465.72. The district may levy annually according to section 275.125, subdivision 4, for the severance pay.

Sec. 19. Minnesota Statutes 1990, section 122.91, subdivision 5, is amended to read:

Subd. 5. [JOINDER AND WITHDRAWAL.] (a) A member school district must not withdraw from an education district that receives revenue under section 124.2721 before the end of the fiscal year for which a levy under section 124.2721 has been certified.

(b) Notwithstanding paragraph (a), a school district that certified a levy under section 124.2721 for fiscal year 1991 124.2721 may apply to the department of education to transfer from one the education district to another to comply with section 122.241, subdivision 2, clause (2), which it currently belongs to a different education district before June 1 of the calendar year after the levy was certified if any of the following conditions are met as a result of the transfer:

(1) all member school districts of a special education cooperative established under section 120.17 or 471.59, or a cooperative center for vocational education established under section 123.351 become members of the same education district;

(2) the location of the school district allows the education district into which the school district is applying to transfer to provide services more effectively than the current education district; or

(3) the number of boards governing special education cooperatives established under section 120.17 or 471.59, cooperative centers for vocational education established under section 123.351, or other educational organizations that operate within the geographic area of either education district is reduced.

(c) The department of education must accept or reject an application for transfer under this section within 30 days of receiving the application. The commissioner must adjust the revenue of both education districts so that the education district revenue attributable to the transferring school district is transferred from the previous education district to the new education district.

(e) (d) By August 1 of each year, an education district must notify the department of education concerning which school districts will be members of the education district for the purposes of certifying to the department of education the amount of revenue to be raised under section 124.2721.

Sec. 20. Minnesota Statutes 1990, section 122.94, is amended by adding a subdivision to read:

Subd. 1a. [LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT.] (a) No district shall be required by an agreement or otherwise to participate in or provide financial support for a education district for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) This subdivision shall not affect the continued liability of a school district for its share of debt incurred by the education district board before the effective date of this section. The school district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on June 30, 1993, except that the payment schedule may be altered for the purpose of restructuring debt outstanding on the effective date of this section if the annual payments of the school district are not increased and if the total obligation of the school district for its share of debt is not increased.

(c) To cease participating in or providing financial support for any of the services or activities provided by the education district or to withdraw from the education district, the school board of the school district shall adopt a resolution and notify the education district board of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year or, at the option of the school board, June 30 of the following fiscal year.

(d) Before incurring debt, the board of an education district shall adopt a resolution proposing to incur debt and the proposed financial effect of the debt upon each school district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in article 9, section 33, and sections 125.12 and 125.17. The board of the education district shall notify each participating school board of the contents of the resolution. Within 120 days of receiving the resolution of the board of the education district, the school board of the participating district shall adopt a resolution stating:

(1) its concurrence with incurring other debt;

(2) its intention to cease participating in or providing financial support for the service or activity related to the debt; or

(3) its intention to withdraw from the education district.

A school board adopting a resolution according to clause (1) is liable for its share of debt as proposed by the education district board. A school board adopting a resolution according to clause (2) is not liable for the debt, as proposed by the board of the education district, related to the services or activities in which the school district ceases participating or providing financial support. A school board adopting a resolution according to clause (3) is not liable for the debt proposed by the education district board.

(e) On and after July 1, 1993, a school district is liable according to paragraph (d) for its share of debt incurred by the education district to the extent that the debt is directly related to the services or activities in which the school district participates or for which the school district provides financial support. The school district has continued liability only until the debt is discharged and only according to the payment schedule in effect at the time the education district board provides notice to the school board, except that the payment schedule may be altered for the purpose of restructuring debt if the annual payments of the school district are not increased and if the total obligation of the school district for the debt is not increased.

Sec. 21. Minnesota Statutes 1990, section 122.94, subdivision 6, is amended to read:

Subd. 6. [COMMON ACADEMIC CALENDAR.] For 1991-1992 and later school years, the agreement must require a common academic calendar for all member districts of an education district. For purposes of this subdivision, a common academic calendar must include at least the following:

(1) the number of days of instruction at least the same number of instructional days in common as are offered by the member district with the fewest number of instructional days;

(2) the same first and last days of instruction in a school year; and

(3) the specific days reserved for staff development at least the same number of staff development days in common as are provided by the member district with the fewest number of staff development days.

Before the 1990-1991 school year, each education district must report to the state board of education on ways that other components of the academic calendar in each member district will affect the

implementation of the five-year plan described in section 122.945. Other components include the length of the school day, the time the school day begins and ends, and the number of periods in the day.

Sec. 22. Minnesota Statutes 1990, section 123.35, is amended by adding a subdivision to read:

Subd. 19. [LIMITATION ON ALL AGREEMENTS.] (a) No district shall be required by an agreement or otherwise to participate in or provide financial support for a regional center for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) This subdivision shall not affect the continued liability of a district for its share of bonded indebtedness or other debt incurred by the center before the effective date of this section. The district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on June 30, 1993, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on the effective date of this section if the annual payments of the district are not increased and if the total obligation of the district for its share of outstanding bonds or other debt is not increased.

(c) To cease participating in or providing financial support for any of the services or activities provided by the center or to withdraw from the center, the school board shall adopt a resolution and notify the center of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year or, at the option of the school board, June 30 of the following fiscal year.

(d) Before issuing bonds or incurring other debt, the board of a center shall adopt a resolution proposing to issue bonds or incur other debt and the proposed financial effect of the bonds or other debt upon each participating district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in article 9, section 33, and sections 125.12 and 125.17. The board of the center shall notify each participating school board of the contents of the resolution. Within 120 days of receiving the resolution of the board of the center, the school board of the participating district shall adopt a resolution stating:

(1) its concurrence with issuing bonds or incurring other debt;

(2) its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt;
or

(3) its intention to withdraw from the regional center.

A school board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the board of the regional center. A school board adopting a resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the board of the regional center, related to the services or activities in which the district ceases participating or providing financial support. A school board adopting a resolution according to clause (3) is not liable for the bonded indebtedness or other debt proposed by the board of the regional center.

(e) On and after July 1, 1993, a district is liable according to paragraph (d) for its share of bonded indebtedness or other debt incurred by the regional center to the extent that the bonds or other debt are directly related to the services or activities in which the district participates or for which the district provides financial support. The district has continued liability only until the obligation or debt is discharged and only according to the payment schedule in effect at the time the board of the regional center provides notice to the school board, except that the payment schedule may be altered for the purpose of refunding the outstanding bonds or restructuring other debt if the annual payments of the district are not increased and if the total obligation of the district for the outstanding bonds or other debt is not increased.

Sec. 23. Minnesota Statutes 1990, section 123.351, subdivision 8, is amended to read:

Subd. 8. [ADDITION AND WITHDRAWAL OF DISTRICTS.] Upon approval by majority vote of a school board, of the center board, and of the state board of education, an adjoining school district may become a member in the center and be governed by the provisions of this section and the agreement in effect.

(a) No district shall be required by an agreement or otherwise to participate in or provide financial support for a center for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) This subdivision shall not affect the continued liability of a district for its share of bonded indebtedness or other debt incurred by the center before the effective date of this section. The district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on June 30, 1993, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on the effective date of this section if the annual payments of the district are not increased and if the total obligation of the district for its share of outstanding bonds or other debt is not increased.

(c) To cease participating in or providing financial support for any of the services or activities provided by the center or to withdraw from the center, the school board shall adopt a resolution and notify the center of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year or, at the option of the school board, June 30 of the following fiscal year.

(d) Before issuing bonds or incurring other debt, the board of a center shall adopt a resolution proposing to issue bonds or incur other debt and the proposed financial effect of the bonds or other debt upon each participating district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in article 9, section 33, and sections 125.12 and 125.17. The board of the center shall notify each participating school board of the contents of the resolution. Within 120 days of receiving the resolution of the board of the center, the school board of the participating district shall adopt a resolution stating:

(1) its concurrence with issuing bonds or incurring other debt;

(2) its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt; or

(3) its intention to withdraw from the regional center.

A school board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the board of the regional center. A school board adopting a resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the board of the center, related to the services or activities in which the district ceases participating or providing financial support. A school board adopting a resolution according to clause (3) is not liable for the bonded indebtedness or other debt proposed by the board of the center.

(e) On and after July 1, 1993, a district is liable according to paragraph (d) for its share of bonded indebtedness or other debt incurred by the center to the extent that the bonds or other debt are directly related to the services or activities in which the district participates or for which the district provides financial support. The district has continued liability only until the obligation or debt is discharged and only according to the payment schedule in effect at the time the board of the center provides notice to the school board, except that the payment schedule may be altered for the purpose of refunding the outstanding bonds or restructuring other debt if the annual payments of the district are not increased and if the total

obligation of the district for the outstanding bonds or other debt is not increased.

Any participating district may withdraw from the center and from the agreement in effect by a majority vote of the full board membership of the participating school district desiring withdrawal and upon compliance with provisions in the agreement establishing the center. Upon receipt of the withdrawal resolution reciting the necessary facts, the center board shall file a certified copy with the county auditors of the counties affected. The withdrawal shall become effective at the end of the next following school year July 1 but the withdrawal shall not affect the continued liability of the withdrawing district for bonded indebtedness it incurred prior to the effective withdrawal date.

Sec. 24. Minnesota Statutes 1990, section 123.58, is amended by adding a subdivision to read:

Subd. 4a. [LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT.] (a) No district shall be required by an agreement or otherwise to participate in or provide financial support for an ECSU for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) This subdivision shall not affect the continued liability of a district for its share of debts or obligations incurred by the ECSU before the effective date of this section. The district is liable only until the debt or obligation is discharged and only according to the payment schedule in effect on the effective date of this section, except that the payment schedule may be altered for the purpose of restructuring or refunding debt or obligations outstanding on the effective date of this section if the annual payments of the district are not increased and if the total obligation of the district for its share of outstanding debt or obligations is not increased.

(c) To cease participating in or providing financial support for any of the services or activities provided by the ECSU or to withdraw from the ECSU, the school board shall adopt a resolution and notify the ECSU of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year or, at the option of the school board, June 30 of the following fiscal year.

(d) Before incurring debt or obligations, the ECSU board shall adopt a resolution proposing to incur debt or obligations and the proposed financial effect of the debt or obligations upon each participating district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in article 9, section 33, and sections 125.12 and 125.17. The ECSU board shall notify each participating school board

of the contents of the resolution. Within 120 days of receiving the resolution of the ECSU board, the school board of the participating district shall adopt a resolution stating:

(1) its concurrence with incurring the debt or obligations;

(2) its intention to cease participating in or providing financial support for the service or activity related to the debt or obligations;
or

(3) its intention to withdraw from the ECSU.

A school board adopting a resolution according to clause (1) is liable for its share of debt or obligations as proposed by the ECSU board. A school board adopting a resolution according to clause (2) is not liable for the debt or obligations, as proposed by the ECSU board, related to the services or activities in which the district ceases participating or providing financial support. A school board adopting a resolution according to clause (3) is not liable for the debt or obligations proposed by the ECSU board.

(e) After the effective date of this section, a district is liable according to paragraph (d) for its share of debt or obligations incurred by the ECSU to the extent that the debt or obligations are directly related to the services or activities in which the district participates or for which the district provides financial support. The district has continued liability only until the debt or obligation is discharged and only according to the payment schedule in effect at the time the ECSU board provides notice to the school board, except that the payment schedule may be altered for the purpose of refunding or restructuring debt or obligations if the annual payments of the district are not increased and if the total obligation of the district for the outstanding debt or obligation is not increased.

Sec. 25. Minnesota Statutes 1990, section 123.58, is amended by adding a subdivision to read:

Subd. 9a. [ALLOCATION OF STATE APPROPRIATION.] The appropriation for ECSUs shall be allocated among the ECSUs according to the allocation for fiscal year 1991. Payment of the amount appropriated shall be to school districts. Each school district shall receive a payment equal to:

(1) the number of pupil units in the district divided by the number of pupil units in all of the districts that are members of the ECSU;
times

(2) the allocation for the ECSU of which the district is a member.

The payment shall be used by the district to purchase educational

services from an ECSU, another school district, or other provider, or to provide other educational services.

Sec. 26. Minnesota Statutes 1990, section 124.2721, is amended by adding a subdivision to read:

Subd. 1a. [ELIGIBILITY.] A school district is eligible for education district revenue if the district certified a levy for education district revenue in 1992 for taxes payable in 1993. The pupil units of a school district that is a member of intermediate district No. 287, 916, or 917 may not be used to obtain revenue under this section. The pupil units of a school district may not be used to obtain revenue under this section and section 124.575.

Sec. 27. Minnesota Statutes 1990, section 124.2721, subdivision 2, is amended to read:

Subd. 2. [REVENUE.] Each year the education district board shall certify to the department of education the amount of education district revenue to be raised. Education district revenue shall be the lesser of:

(1) the amount certified by the education district board; or

(2) ~~the sum of:~~

(i) ~~\$60 in basic education district revenue; and~~

(ii) ~~\$50 for education districts authorized to receive revenue under Laws 1990, chapter 562, article 6, section 36, subdivision 2, \$50 times the actual pupil units in the education district.~~

Sec. 28. Minnesota Statutes 1990, section 124.2721, is amended by adding a subdivision to read:

Subd. 2a. [REVENUE.] For fiscal year 1994 and thereafter, education district revenue shall be \$50 times the number of pupil units in the district.

Sec. 29. Minnesota Statutes 1990, section 124.2721, subdivision 3, is amended to read:

Subd. 3. [LEVY.] The education district levy is equal to the following:

(1) the education district revenue according to subdivision 2, times

(2) the lesser of

(a) one, or

(b) the ratio of the adjusted net tax capacity of the education district divided by the number of actual pupil units in the education district to an amount equal to the ~~sum of subdivision 2, clause (2), items (i) and (ii); for which the education district is eligible \$50~~ divided by 1.87 percent.

The department of education shall allocate the levy amount proportionately among the member districts based on adjusted tax capacity. The member districts shall levy the amount allocated.

Sec. 30. Minnesota Statutes 1990, section 124.2721, is amended by adding a subdivision to read:

Subd. 3a. [LEVY.] Beginning with the levy attributable to fiscal year 1994 and thereafter, the education district levy for a school district is equal to the following:

(1) the sum of the education district revenue according to subdivision 2 for all member school districts of the education district, times

(2) the lesser of

(a) one, or

(b) the ratio of the adjusted net tax capacity of the education district divided by the number of actual pupil units in the education district to the amount in clause (1) divided by 1.87 percent, times

(3) the ratio of the adjusted net tax capacity of the school district to the total adjusted net tax capacity of the education district.

Sec. 31. Minnesota Statutes 1990, section 124.2721, is amended by adding a subdivision to read:

Subd. 4a. [AID.] For fiscal year 1994 and thereafter, education district aid equals the education district revenue minus the education district levy, times the ratio of the actual amount levied to the permitted levy. If the permitted education district levy exceeds the education district revenue, the department shall reduce other aids due the district by the amount equal to the difference between the permitted levy and the revenue. The amount reduced is annually appropriated to the department of education for aid payments under this subdivision.

Sec. 32. Minnesota Statutes 1990, section 124.2721, is amended by adding a subdivision to read:

Subd. 5a. [USES OF REVENUE.] For fiscal year 1994 and thereafter, education district revenue shall be used only for one or more of the following purposes:

(1) purchase educational programs offered by another school district, education district, secondary vocational cooperative, special education cooperative, intermediate school district, joint powers board, or an ECSU;

(2) provide educational programs offered by an education district;

(3) provide additional revenue for early childhood family education programs, head start programs, or other educational programs for children who have not entered kindergarten;

(4) provide additional revenue for early childhood health and developmental screening or other health services for children from birth through 12th grade;

(5) provide services needed by pupils described in section 126.22 or children of any age who have characteristics, as designated by the district, that may interfere with learning and developing;

(6) provide secondary course offerings if the courses have specific learner outcomes and teachers participate in determining the outcomes;

(7) provide preparation time for elementary teachers or additional revenue for staff development for outcome-based education or site-based decision making;

(8) provide revenue for expenditures related to interdistrict cooperation according to section 122.541, agreements for secondary education according to section 122.535, additional revenue for cooperation and combination according to sections 122.241 to 122.248, dissolution and attachment according to section 122.22, or consolidation according to section 122.23;

(9) provide additional revenue for education programs for adults to earn high school diplomas or equivalency certificates;

(10) collaborate with local health and human service agencies to provide comprehensive and coordinated services for children and families;

(11) implement a career teacher program according to sections 124C.27 to 124C.31;

(12) provide extended day programs for children in elementary school;

(13) pay fees charged by a regional management information center, according to section 121.935, subdivision 6, or an educational cooperative service unit, according to section 123.58, subdivision 9; or

(14) make repairs or improvements to buildings as required by a fire safety inspection according to section 121.1502.

The school district may provide the programs and services itself or contract with a public education organization or a public or private health or human service organization. The school district shall not use education district revenue to increase the salaries of the employees of the school district.

Sec. 33. Minnesota Statutes 1990, section 124.2721, is amended by adding a subdivision to read:

Subd. 5b. [FUND TRANSFER AUTHORIZED.] For fiscal year 1994 and thereafter, notwithstanding section 121.912, a district using the education district revenue for fire safety improvements required by fire inspections shall transfer each year the amount needed to make the improvements from the general fund to the capital expenditure fund. A district using education district revenue for purposes that would otherwise be paid from the community service fund shall transfer each year the amount needed from the general fund to the community service fund.

Sec. 34. Minnesota Statutes 1990, section 124.2725, subdivision 4, is amended to read:

Subd. 4. [INCREASING LEVY.] (a) For districts that combine without cooperating, the percentage in subdivision 3, clause (2), shall be:

- (1) 50 percent for the first year of combination; and
- (2) 25 percent for the second year of combination.

(b) For districts that combine after one year of cooperation, the percentage in subdivision 3, clause (2), shall be:

- (1) 100 percent for the first year of cooperation;
- (2) 75 percent for the first year of combination;
- (3) 50 percent for the second year of combination; and
- (4) 25 percent for the third year of combination.

(b) (c) For districts that combine after two years of cooperation, the percentage in subdivision 3, clause (2), shall be:

- (1) 100 percent for the first year of cooperation;
- (2) 75 percent for the second year of cooperation;
- (3) 50 percent for the first year of combination; and
- (4) 25 percent for the second year of combination.

Sec. 35. Minnesota Statutes 1990, section 124.2725, subdivision 5, is amended to read:

Subd. 5. [COOPERATION AND COMBINATION AID.] (a) Districts that combine without cooperating shall receive cooperation and combination aid for the first two years of combination. Cooperation and combination aid shall not be paid after two years of combining.

(b) Districts that combine after one year of cooperation shall receive cooperation and combination aid for the first year of cooperation and three years of combination. Cooperation and combination aid is equal to the difference between the cooperation and combination revenue and the cooperation and combination levy. Aid shall not be paid after three years of combining.

(b) (c) Districts that combine after two years of cooperation shall receive cooperation and combination aid for the first two years of cooperation and the first two years of combination. Cooperation and combination aid is equal to the difference between the cooperation and combination revenue and the cooperation and combination levy. Aid shall not be paid after two years of combining.

(d) In each case, cooperation and combination aid is equal to the difference between the cooperation and combination revenue and the cooperation and combination levy.

Sec. 36. Minnesota Statutes 1990, section 124.2725, subdivision 6, is amended to read:

Subd. 6. [ADDITIONAL AID.] In addition to the aid in subdivision 5, districts shall receive aid under this subdivision. For the first year of cooperation, a district shall receive, for each resident and nonresident pupil receiving instruction in a cooperating district, \$100 times the actual pupil units. For the first year of combination, the combined district shall receive, for each resident and nonresident pupil receiving instruction in the combined district, \$100 times the actual pupil units according to the following:

(1) for districts that combine without cooperating, \$100 times the actual pupil units in the district in the first year of combination; or

(2) for districts that combine after one year of cooperation, \$100 times the actual pupil units in each district for the first year of cooperation, for each resident and nonresident pupil receiving instruction in the cooperating district, and \$100 times the actual pupil units in the combined district for the first year of combination; or

(3) for districts that combine after two years of cooperation, \$100 times the actual pupil units in each district for the first year of cooperation, for each resident and nonresident pupil receiving instruction in the cooperating district, and \$100 times the actual pupil units in the combined district for the first year of combination.

Sec. 37. Minnesota Statutes 1990, section 124.2725, subdivision 8, is amended to read:

Subd. 8. [PERMANENT REVENUE.] (a) ~~For the third year of combination and thereafter,~~ When a combined district is no longer eligible for aid under subdivision 5, it may receive revenue according to this subdivision. A combined district that is not a member of an education district that receives revenue under section 124.2721 may levy each year the lesser of

(i) \$50 times the actual pupil units in the combined district; or

(ii) \$50,000.

(b) A combined district that is a member of an education district receiving revenue under section 124.2721 must not receive revenue under this subdivision.

Sec. 38. Minnesota Statutes 1990, section 124.2725, subdivision 10, is amended to read:

Subd. 10. [REVENUE LIMIT.] Revenue under this section shall not exceed the revenue received by cooperating districts or a combined district with 2,000 actual pupil units. Revenue for cooperating districts subject to the limitation in this subdivision shall be allocated according to the number of pupil units in the districts.

Sec. 39. [124.2727] [INTERMEDIATE DISTRICT REVENUE.]

Subdivision 1. [ELIGIBILITY.] A school district is eligible for intermediate school district revenue if the property in the school district was subject to taxation by or on behalf of an intermediate school district for taxes payable in 1991. Independent school district

Nos. 138 and 141 are eligible for intermediate school district revenue upon joining intermediate district No. 916.

Subd. 2. [REVENUE.] Intermediate school district revenues for an eligible school district are equal to the product of:

(1) the greater of:

(i) the quotient obtained by dividing five-sixths of the levy certified by the intermediate school district for taxes payable in 1989 by the sum of the actual pupil units of the eligible school districts for the fiscal year to which the levy is attributable; or

(ii) \$50, times

(2) the actual pupil units in the school district for the year to which the levy is attributable.

Subd. 3. [LEVY.] The intermediate school district levy for an eligible school district is equal to the product of:

(1) the quotient obtained by dividing the sum of the amounts computed in subdivision 2 for all eligible member districts of the intermediate school district by the total adjusted net tax capacity of the intermediate school district; times

(2) the adjusted net tax capacity of the school district.

Subd. 4. [REVENUE ADJUSTMENTS.] The intermediate school district revenue adjustment for an eligible school district is equal to the intermediate school district revenue minus the intermediate school district levy times the ratio of the actual amount levied to the permitted levy. If the permitted intermediate school district levy exceeds the intermediate school district revenue, the department shall reduce other aid due the district by the amount equal to the difference between the permitted levy and the revenue. The amount reduced is annually appropriated to the department of education for revenue adjustments under this subdivision.

Subd. 5. [REVENUE USES.] Five-elevenths of the proceeds of the revenue must be used for special education and six-elevenths of the proceeds of the revenue must be used for secondary vocational education. The district may provide special education or secondary vocational education, or both. The district may purchase some or all of either type of education from the intermediate district, another school district, or any other provider.

Subd. 6. [ALTERNATIVE LEVY AUTHORITY.] (a) An intermediate school district may levy, as a single taxing district, according to this paragraph, an amount that may not exceed the greater of:

- (1) five-sixths of the levy certified for taxes payable in 1989; or
- (2) the lesser of (i) \$50 times the actual pupil units in each participating district for the fiscal year to which the levy is attributable, or (ii) 1.43 percent of the adjusted net tax capacity. The levy shall be certified according to section 275.07. Upon such certification, the county auditors shall levy and collect the levies and remit the proceeds of the levy to the intermediate school district. The levies shall not be included in computing the limitation upon the levy of any of the participating districts.
- (b) Five-sixths of the proceeds of the levy shall be used for special education. Six-elevenths of the proceeds of the levy shall be used for secondary vocational education.
- (c) To levy according to paragraph (a), a majority of the full membership of the school board of each member of the intermediate school district shall adopt a resolution in August of any year stating its decision not to levy according to this section and authorizing the intermediate district to levy according to paragraph (a). Any member district may adopt a resolution by the following February 1 or February 1 of any subsequent year to levy as a school district the amount authorized by this section. The resolution may or may not also contain the school board's decision to withdraw from the intermediate school district or to cease participating in or providing financial support for any of the services or activities of the intermediate school district. Upon withdrawal from or cessation of participation in or support for the services or activities of the intermediate district, the board of the intermediate district shall pay to the district \$50 times the number of actual pupil units in the school district, or a prorated amount if the member district ceases participation in or providing financial support for any activities or services of the intermediate district.

Sec. 40. Minnesota Statutes 1990, section 124.493, is amended by adding a subdivision to read:

Subd. 3. [APPLICATIONS.] Districts that apply for a cooperative secondary facilities grant after May 1, 1991, shall:

- (1) submit a plan as set forth in section 122.242 for approval by the state board of education; and
- (2) comply with the provisions of sections 122.243 to 122.247, applicable to combined districts.

The districts are not eligible for cooperation and combination revenue under section 124.2725. Sections 124.494, 124.4945, and 124.4946 do not apply to districts applying for a grant after May 1, 1991, except for provisions in the sections relating to acquiring,

constructing, remodeling, or improving a building or site of a cooperative secondary facility.

Sec. 41. Minnesota Statutes 1990, section 124.575, is amended by adding a subdivision to read:

Subd. 1a. [ELIGIBILITY.] Beginning in fiscal year 1994 a school district is eligible for secondary vocational cooperative revenue if the school district certified a levy for secondary vocational cooperative revenue in 1992 for taxes payable in 1993. The pupil units of a district that is a member of intermediate school district No. 287, 916, or 917 may not be used to obtain revenue under this section. The pupil units of a district may not be used to obtain revenue under this section and section 124.2721.

Sec. 42. Minnesota Statutes 1990, section 124.575, is amended by adding a subdivision to read:

Subd. 2a. [REVENUE.] For fiscal year 1994 and thereafter, secondary vocational cooperative revenue shall be \$20 times the actual pupil units in the district.

Sec. 43. Minnesota Statutes 1990, section 124.575, is amended by adding a subdivision to read:

Subd. 3a. [LEVY.] Beginning with the levy attributable to fiscal year 1994 and thereafter, the secondary vocational cooperative levy for a school district is equal to the following:

(1) the sum of the secondary vocational cooperative revenue according to subdivision 2 for all member school districts of the secondary vocational cooperative according to subdivision 1, times

(2) the lesser of

(a) one, or

(b) the ratio of the adjusted net tax capacity of the secondary vocational cooperative divided by the number of actual pupil units in the secondary vocational cooperative to an amount equal to \$20 divided by .78 percent, times

(3) the ratio of the adjusted net tax capacity of the school district to the total adjusted net tax capacity of the secondary vocational cooperative.

Sec. 44. Minnesota Statutes 1990, section 124.575, is amended by adding a subdivision to read:

Subd. 4a. [AID.] For fiscal year 1994 and thereafter, secondary vocational cooperative aid equals the secondary vocational cooperative revenue minus the secondary vocational cooperative levy, times the ratio of the actual amount levied to the permitted levy. If the permitted amount of the secondary vocational cooperative levy exceeds the secondary vocational cooperative revenue, the department shall reduce other aids due the district by the amount equal to the difference between the permitted levy and the revenue. The amount reduced is annually appropriated to the department of education for aid payments under this subdivision.

Sec. 45. Minnesota Statutes 1990, section 124.575, is amended by adding a subdivision to read:

Subd. 5. [USE OF REVENUE.] Secondary vocational cooperative revenue shall be used to provide or purchase vocational offerings, special education for handicapped pupils, or other educational programs or services offered by a secondary vocational center, school district, or other provider.

Sec. 46. Minnesota Statutes 1990, section 124B.03, subdivision 2, is amended to read:

Subd. 2. [REFERENDUM LEVY.] (a) The amount of general education revenue certified by an education district board under section 124B.10 may be increased in any amount that is approved by the voters of the education district at a referendum called for the purpose. The referendum may be called by the education district board or must be called by the education district board upon written petition of qualified voters of the education district. The referendum must be held on the first Tuesday after the first Monday in November. The ballot shall state the maximum amount of the increased levy as a percentage of net tax capacity per actual pupil unit, the total amount that will be raised by that local tax rate in the first year it is to be levied, and that the local tax rate proceeds of the levy must be used to finance school operations. The ballot shall designate a specific number of years for which the referendum authorization applies which may not exceed five years. The ballot may contain a text with the information required in this subdivision and a question stating substantially the following:

“Shall the increase in the levy proposed by (petition to) the board of, Education District No. .., be approved?”

(b) If An approved, the amount provided by the approved local tax rate applied to the net tax capacity per actual pupil unit times the number of actual pupil units in the education district for the fiscal year before the year the levy is certified is authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the education district at a later referendum.

(c) The education district board shall prepare and deliver by first class mail at least 15 days but no more than 30 days prior to the day of the election to each taxpayer at the address listed on each member district's current year's assessment roll, a notice of the referendum and the proposed levy increase. For the purpose of giving mailed notice under this subdivision, owners shall be those shown to be owners on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer. Every property owner whose name does not appear on the records of the county auditor or the county treasurer shall be deemed to have waived this mailed notice unless the owner has requested in writing that the county auditor or county treasurer, as the case may be, include the name on the records for this purpose. The notice must project the anticipated amount of tax increase in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the education district.

(d) The notice must include the following statement: "~~In 1989, the legislature reduced property taxes for education by increasing the state share of funding for education. However, state aid for cities and townships was reduced by a corresponding amount. As a result, property taxes for cities and townships may increase. Passage of this referendum will result in an increase in your property taxes.~~"

(e) A referendum on the question of revoking or reducing the increased levy amount authorized under paragraph (a) may be called by the education district board and must be called by the education district board upon the written petition of qualified voters of the education district. A levy approved by the voters of the education district under paragraph (a) must be made at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one election may be held to revoke or reduce a levy for any specific year and for later years.

(f) A petition authorized by paragraph (a) or (e) shall be effective if signed by a number of qualified voters in excess of 15 percent of the average number of voters at the two most recent districtwide school elections in all the member school districts. A referendum invoked by petition must be held on the day specified in paragraph (a).

(g) The approval of 50 percent plus one of those voting on the question is required to pass a referendum.

(h) Within 30 days after the education district holds a referendum according to this subdivision, the education district shall notify the commissioner of education of the results of the referendum.

(i) The department shall allocate the amount certified by the education district board under paragraph (a) or subdivision 1

proportionately among the member districts based on net tax capacity. The member districts shall may levy an amount up to the amount allocated.

(j) ~~Each year, a member district shall transfer referendum revenue to the education district board according to this subdivision. By June 20 and November 30 of each year, an amount must be transferred equal to:~~

(1) ~~50 percent times~~

(2) ~~the amount certified in this subdivision minus homestead and agricultural credit aid allocated for that levy according to section 273.1308, subdivision 6.~~

Sec. 47. Minnesota Statutes 1990, section 136D.22, is amended by adding a subdivision to read:

Subd. 3. [LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT.] (a) No school district shall be required by an agreement or otherwise to participate in or provide financial support for an intermediate school district for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) This subdivision shall not affect the continued liability of a school district for its share of bonded indebtedness or other debt incurred by the intermediate school district before the effective date of this section. The school district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on the effective date of this section, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on the effective date of this section if the annual payments of the school district are not increased and if the total obligation of the school district for its share of outstanding bonds or other debt is not increased.

(c) To cease participating in or providing financial support for any of the services or activities provided by the intermediate district or to withdraw from the intermediate district, the school board shall adopt a resolution and notify the intermediate board of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year or, at the option of the school board, June 30 of the following fiscal year.

(d) Before issuing bonds or incurring other debt, the board of an intermediate district shall adopt a resolution proposing to issue bonds or incur other debt and the proposed financial effect of the bonds or other debt upon each participating school district. The resolution shall be adopted within a time sufficient to allow the

school board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in article 9, section 33, and sections 125.12 and 125.17. The intermediate board shall notify each participating school board of the contents of the resolution. Within 120 days of receiving the resolution of the intermediate board, the school board of the participating district shall adopt a resolution stating:

(1) its concurrence with issuing bonds or incurring other debt;

(2) its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt;
or

(3) its intention to withdraw from the intermediate district.

A school board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the board of the intermediate district. A school board adopting a resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the board of the intermediate district, related to the services or activities in which the school district ceases participating or providing financial support. A school board adopting a resolution according to clause (3) is not liable for the bonded indebtedness or other debt proposed by the board of the intermediate district.

(e) After the effective date of this section, a school district is liable according to paragraph (d) for its share of bonded indebtedness or other debt incurred by the intermediate district to the extent that the bonds or other debt are directly related to the services or activities in which the school district participates or for which the school district provides financial support. The school district has continued liability only until the obligation or debt is discharged and only according to the payment schedule in effect at the time the board of the intermediate district provides notice to the school board, except that the payment schedule may be altered for the purpose of refunding the outstanding bonds or restructuring other debt if the annual payments of the school district are not increased and if the total obligation of the school district for the outstanding bonds or other debt is not increased.

Sec. 48. [136D.281] [BONDS.]

Subdivision 1. [PURPOSE.] The intermediate school board, acting in its own behalf, may issue bonds for the acquisition and betterment of school facilities or equipment or for the funding or refunding of outstanding bonds, warrants, orders, or certificates of indebtedness.

Subd. 2. [GENERAL LAW.] Chapter 475 shall be applicable in all respects.

Subd. 3. [RESOLUTION.] The purpose and the amount of any borrowing shall first be approved by resolution of the school board of the intermediate school district. When the resolution has been adopted by the intermediate school board it shall be published once in a newspaper of general circulation in said district.

Subd. 4. [REFERENDUM.] The intermediate school board shall not sell and issue bonds for acquisition or betterment purposes until the question of their issuance has been submitted to the voters of the intermediate school district at a special election held in and for the intermediate district. The date of the election, the question to be submitted, and all other necessary conduct of the election shall be fixed by the intermediate school board. The election shall be conducted and canvassed under the direction of the intermediate school board in accordance with chapter 205A, insofar as applicable.

If a majority of the total number of votes cast on the question within the intermediate school district is in favor of the question, the intermediate school board may proceed with the sale and issuance of the bonds.

Subd. 5. [GENERAL OBLIGATION BONDS.] The full faith, credit, and unlimited taxing powers of the intermediate school district shall be pledged to the payment of all bonds and certificates of indebtedness, and none of the obligations shall be included in the net debt of any participating school district as defined by section 475.51, subdivision 4, or any other similar law.

Subd. 6. [LEVIES FOR PAYMENT.] The intermediate school board upon awarding a contract for the sale of the bonds shall certify to the county auditor or county auditors the years and amounts of taxes required to be levied for the payment of the bonds as provided by section 475.61. The county auditor shall cause taxes to be spread in each year until bonds and interest have been paid upon all of the assessable, taxable valuation of the intermediate school district.

Subd. 7. [TAX EXEMPT SECURITIES.] In all other respects chapter 475 shall apply and the bonds shall be deemed authorized securities within the provisions of section 50.14 and shall be deemed instruments of a public governmental agency.

Sec. 49. Minnesota Statutes 1990, section 136D.29, is amended to read:

136D.29 [TERM OF AGREEMENT; DISSOLUTION, BOND TAXES.]

The agreement shall state the term of its duration and may provide for the method of termination and distribution of assets after payment of all liabilities of the joint school board. No termination shall affect the obligation to continue to levy taxes required for payment of any bonds issued as provided in section 136D.28 before termination.

Sec. 50. Minnesota Statutes 1990, section 136D.71, is amended to read:

136D.71 [LISTED DISTRICTS MAY FORM INTERMEDIATE DISTRICT.]

Subdivision 1. [AGREEMENT.] Notwithstanding any other law to the contrary, two or more of the independent school districts numbered 12 and 16 of Anoka county, independent school districts numbered 621, 622, 623, and 624 of Ramsey county, and independent school districts numbered 832, 833, and 834 of Washington county, are hereby authorized to enter into an agreement to establish a special intermediate school district upon majority vote of the full membership of each of the boards of the districts entering into the agreement. When such resolution has been adopted by the board of one of the districts, it shall be published once in a newspaper of general circulation in said district. If a petition for referendum on the question of said district entering into such agreement is filed with the clerk of the said board within 60 days after publication of such resolution, signed by the qualified voters of said district equal to five percent of the number of voters at the last annual school election. No board shall enter into such agreement until the question of whether the district shall enter into the agreement has been submitted to the voters of said district at a special election. Said election shall be conducted and canvassed in accordance with chapter 205A.

If a majority of the total number of votes cast on the question within said district is in favor of the question, the board of said school district may thereupon proceed to enter into an agreement to establish the special intermediate school district for purposes herein described. Such school district so created shall be known as north-eastern metropolitan intermediate school district, state of Minnesota. The commissioner of education shall assign an appropriate identification number as provided by section 122.03.

Subd. 2. [LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT.] (a) No school district shall be required by an agreement or otherwise to participate in or provide financial support for an intermediate school district for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) This subdivision shall not affect the continued liability of a

school district for its share of bonded indebtedness or other debt incurred by the intermediate school district before the effective date of this section. The school district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on the effective date of this section, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on the effective date of this section if the annual payments of the school district are not increased and if the total obligation of the school district for its share of outstanding bonds or other debt is not increased.

(c) To cease participating in or providing financial support for any of the services or activities provided by the intermediate district or to withdraw from the intermediate district, the school board shall adopt a resolution and notify the intermediate board of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year or, at the option of the school board, June 30 of the following fiscal year.

(d) Before issuing bonds or incurring other debt, the board of an intermediate district shall adopt a resolution proposing to issue bonds or incur other debt and the proposed financial effect of the bonds or other debt upon each participating school district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in article 9, section 33, and sections 125.12 and 125.17. The intermediate board shall notify each participating school board of the contents of the resolution. Within 120 days of receiving the resolution of the intermediate board, the school board of the participating district shall adopt a resolution stating:

(1) its concurrence with issuing bonds or incurring other debt;

(2) its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt;
or

(3) its intention to withdraw from the intermediate district.

A school board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the board of the intermediate district. A school board adopting a resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the board of the intermediate district, related to the services or activities in which the school district ceases participating or providing financial support. A school board adopting a resolution according to clause (3) is not liable for the bonded indebtedness or other debt proposed by the board of the intermediate district.

(e) After the effective date of this section, a school district is liable according to paragraph (d) for its share of bonded indebtedness or other debt incurred by the intermediate district to the extent that the bonds or other debt are directly related to the services or activities in which the school district participates or for which the school district provides financial support. The school district has continued liability only until the obligation or debt is discharged and only according to the payment schedule in effect at the time the board of the intermediate district provides notice to the school board, except that the payment schedule may be altered for the purpose of refunding the outstanding bonds or restructuring other debt if the annual payments of the school district are not increased and if the total obligation of the school district for the outstanding bonds or other debt is not increased.

Sec. 51. Minnesota Statutes 1990, section 136D.72, subdivision 1, is amended to read:

Subdivision 1. [MEMBERS.] The district shall be operated by a school board of ~~not less than six nor more than 12 members.~~ The board shall ~~consist~~ consisting of at least one member from each of the school districts within the special intermediate school district. Board members shall be members of the school boards of the respective school districts and shall be appointed by their respective school boards. Members shall serve at the pleasure of their respective school boards and may be subject to recall by a majority vote of the school board. They shall report at least quarterly to their boards on the activities of the intermediate district.

Sec. 52. Minnesota Statutes 1990, section 136D.76, subdivision 2, is amended to read:

Subd. 2. [JOINDER.] An independent school district must receive the approval of the state board of education and the state board of technical colleges to become a participant in the intermediate school district. Thereafter, upon approval of the majority vote of its board and of the intermediate school board as well as approval of the state board of education and without the requirement for an election, independent school district No. 138 of Chisago and Isanti counties and independent school district No. 141 of Chisago and Washington counties, and any other independent school district adjoining the territory embraced in the intermediate school district may become a participant in the intermediate school district and be governed by the provisions of sections 136D.71 to 136D.77 thereafter. The net tax capacity of the property within the geographic confines of such district shall become proportionately liable for any indebtedness issued, outstanding or authorized of the intermediate school district.

Sec. 53. Minnesota Statutes 1990, section 136D.82, is amended by adding a subdivision to read:

Subd. 3. [LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT.] (a) No school district shall be required by an agreement or otherwise to participate in or provide financial support for an intermediate school district for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) This subdivision shall not affect the continued liability of a school district for its share of bonded indebtedness or other debt incurred by the intermediate school district before the effective date of this section. The school district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on the effective date of this section, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on the effective date of this section if the annual payments of the school district are not increased and if the total obligation of the school district for its share of outstanding bonds or other debt is not increased.

(c) To cease participating in or providing financial support for any of the services or activities provided by the intermediate district or to withdraw from the intermediate district, the school board shall adopt a resolution and notify the intermediate board of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year or, at the option of the school board, June 30 of the following fiscal year.

(d) Before issuing bonds or incurring other debt, the board of an intermediate district shall adopt a resolution proposing to issue bonds or incur other debt and the proposed financial effect of the bonds or other debt upon each participating school district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in article 9, section 33, and sections 125.12 and 125.17. The intermediate board shall notify each participating school board of the contents of the resolution. Within 120 days of receiving the resolution of the intermediate board, the school board of the participating district shall adopt a resolution stating:

- (1) its concurrence with issuing bonds or incurring other debt;
- (2) its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt;
or
- (3) its intention to withdraw from the intermediate district.

A school board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the board of the intermediate district. A school board adopting a

resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the board of the intermediate district, related to the services or activities in which the school district ceases participating or providing financial support. A school board adopting a resolution according to clause (3) is not liable for the bonded indebtedness or other debt proposed by the board of the intermediate district.

(e) After the effective date of this section, a school district is liable according to paragraph (d) for its share of bonded indebtedness or other debt incurred by the intermediate district to the extent that the bonds or other debt are directly related to the services or activities in which the school district participates or for which the school district provides financial support. The school district has continued liability only until the obligation or debt is discharged and only according to the payment schedule in effect at the time the board of the intermediate district provides notice to the school board, except that the payment schedule may be altered for the purpose of refunding the outstanding bonds or restructuring other debt if the annual payments of the school district are not increased and if the total obligation of the school district for the outstanding bonds or other debt is not increased.

Sec. 54. [136D.88] [BONDS.]

Subdivision 1. [PURPOSE.] The intermediate school board, acting in its own behalf, may issue bonds for the acquisition and betterment of school facilities or equipment or for the funding or refunding of outstanding bonds, warrants, orders, or certificates of indebtedness.

Subd. 2. [GENERAL LAW.] Chapter 475 shall be applicable in all respects.

Subd. 3. [RESOLUTION.] The purpose and the amount of any borrowing shall first be approved by resolution of the school board of the intermediate school district. When the resolution has been adopted by the intermediate school board it shall be published once in a newspaper of general circulation in the district.

Subd. 4. [REFERENDUM.] The intermediate school board shall not sell and issue bonds for acquisition or betterment purposes until the question of their issuance has been submitted to the voters of the intermediate school district at a special election held in and for the intermediate district. The date of the election, the question to be submitted, and all other necessary conduct of the election shall be fixed by the intermediate school board. The election shall be conducted and canvassed under the direction of the intermediate school board in accordance with chapter 205A, insofar as applicable.

If a majority of the total number of votes cast on the question

within the intermediate school district is in favor of the question, the intermediate school board may thereupon proceed with the sale and issuance of the bonds.

Subd. 5. [GENERAL OBLIGATION BONDS.] The full faith, credit, and unlimited taxing powers of the intermediate school district shall be pledged to the payment of all bonds and certificates of indebtedness, and none of the obligations shall be included in the net debt of any participating school district as defined by section 475.51, subdivision 4, or any other similar law.

Subd. 6. [LEVIES FOR PAYMENT.] The intermediate school board upon awarding a contract for the sale of the bonds shall certify to the county auditor or county auditors the years and amounts of taxes required to be levied for the payment of the bonds as provided by section 475.61. The county auditor shall cause taxes to be spread in each year until bonds and interest have been paid upon all of the assessable, taxable valuation of the intermediate school district.

Subd. 7. [TAX EXEMPT SECURITIES.] In all other respects chapter 475 shall apply and the bonds shall be deemed authorized securities within the provisions of section 50.14, and shall be deemed instruments of a public governmental agency.

Sec. 55. Minnesota Statutes 1990, section 136D.90, is amended to read:

136D.90 [TERM OF AGREEMENT, DISSOLUTION, BOND TAXES.]

Subdivision 1. [TERM OF AGREEMENT AND TERMINATION.] The agreement shall state the term of its duration and may provide for the method of termination and distribution of assets after payment of all liabilities of the joint school board. No termination shall affect the obligation to continue to levy taxes required for payment of any bonds issued as provided in section 136D.89 before termination.

Subd. 2. [WITHDRAWAL.] (a) No school district shall be required by an agreement or otherwise to participate in or provide financial support for an intermediate school district for a time period in excess of one fiscal year. Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) This subdivision shall not affect the continued liability of a school district for its share of bonded indebtedness or other debt incurred by the intermediate school district before the effective date of this section. The school district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on the effective date of this section, except that the payment

schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on the effective date of this section if the annual payments of the school district are not increased and if the total obligation of the school district for its share of outstanding bonds or other debt is not increased.

(c) To cease participating in or providing financial support for any of the services or activities provided by the intermediate district or to withdraw from the intermediate district, the school board shall adopt a resolution and notify the intermediate board of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year or, at the option of the school board, June 30 of the following fiscal year.

(d) Before issuing bonds or incurring other debt, the board of an intermediate district shall adopt a resolution proposing to issue bonds or incur other debt and the proposed financial effect of the bonds or other debt upon each participating school district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in article 9, section 33, and sections 125.12 and 125.17. The intermediate board shall notify each participating school board of the contents of the resolution. Within 120 days of receiving the resolution of the intermediate board, the school board of the participating district shall adopt a resolution stating:

- (1) its concurrence with issuing bonds or incurring other debt;
- (2) its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt;
or
- (3) its intention to withdraw from the intermediate district.

A school board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the board of the intermediate district. A school board adopting a resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the board of the intermediate district, related to the services or activities in which the school district ceases participating or providing financial support. A school board adopting a resolution according to clause (3) is not liable for the bonded indebtedness or other debt proposed by the board of the intermediate district.

(e) After the effective date of this section, a school district is liable according to paragraph (d) for its share of bonded indebtedness or other debt incurred by the intermediate district to the extent that the bonds or other debt are directly related to the services or activities in which the school district participates or for which the

school district provides financial support. The school district has continued liability only until the obligation or debt is discharged and only according to the payment schedule in effect at the time the board of the intermediate district provides notice to the school board, except that the payment schedule may be altered for the purpose of refunding the outstanding bonds or restructuring other debt if the annual payments of the school district are not increased and if the total obligation of the school district for the outstanding bonds or other debt is not increased.

Sec. 56. Minnesota Statutes 1990, section 275.125, by adding a subdivision.

Subd. 11g. [EXTRA CAPITAL EXPENDITURE LEVY FOR INTERACTIVE TELEVISION.] A school district with its central administrative office located within economic development region one, two, three, four, five, seven, eight, and ten may levy up to .5 percent of the adjusted net tax capacity of the district for the construction, maintenance, and lease costs of an interactive television system for instructional purposes. The approval by the commissioner of education and the application procedures set forth in subdivision 11d shall apply to the levy authority in this subdivision.

Sec. 57. Laws 1989, chapter 329, article 6, section 53, subdivision 6, as amended by Laws 1990, chapter 562, article 7, section 13, is amended to read:

Subd. 6. [TELECOMMUNICATIONS GRANT.] For grants of up to \$20,000 each to independent school districts Nos. 356, 353, 444, 441, 524, 564, 592, 440, 678, 676, 682, 690, 390, 593, 595, 630, 600, 599, 447, 742, 627, 628, 561, and 454 to support cooperative educational technology programs:

\$340,000 1991.

The amount appropriated shall not cancel but shall be available until June 30, 1992.

After June 30, 1991, any remaining amount is available for grants of up to \$20,000 each to independent school districts Nos. 402, 403, 404, 409, 411, 412, 413, 414, 418, 584, 601, 603, 791, 891, and 896. Any other district listed in this section that have not received a grant prior to June 30, 1991, may apply for a grant from any remaining amount. The department may establish a deadline for grant applications.

Sec. 58. [AID PAYMENTS.]

(a) Notwithstanding Minnesota Statutes, section 122.541, or any other law to the contrary, it is the intent of the legislature that all

pupils residing in independent school district No. 483, Motley, who are enrolled and attending school in kindergarten through grade 12 in independent school district No. 793, Staples, be treated as nonresident pupils enrolled and attending school in independent school district No. 793, Staples, under Minnesota Statutes, section 120.062 beginning with the 1990-1991 school year.

(b) The department of education shall:

(1) determine the amount of state education aid calculated under Minnesota Statutes, section 120.062, subdivision 12, due district No. 793 as a result of this section;

(2) reduce state education aid for district No. 483 in an amount equal to the amount of aid due district No. 793 under clause (1) plus \$110,198.19 for the cost to district No. 793 of educating 48 resident pupils of district No. 483 who attended kindergarten through grade 6 in district No. 793 during the 1989-1990 school year; and

(3) deposit the amount of state education aid calculated under clauses (1) and (2) in a separate account in the state treasury.

Notwithstanding any law to the contrary, the state treasurer shall use the revenue deposited in the account under clause (3) to pay to independent school district No. 793 that amount of state education aid, plus a proportionate share of the interest earned on the account, representing partial or total satisfaction of any final judgment entered against independent school district No. 483 in the cases of independent school district No. 483, Motley v. Tom Nelson, in his official capacity as commissioner of education, file numbers C8-90-9736 and C6-90-2671, and independent school district No. 793 v. Ervin Bjergarfile number C6-90-2059, after all time for appeal from the judgments has expired. The treasurer shall pay any remaining revenue plus proportionate interest to independent school district No. 483. For independent school district No. 793 or independent school district No. 483 to receive payment, the attorney representing the district shall submit to the state treasurer a certified copy of the judgment and an affidavit stating that the judgment is a final judgment and the time for appeal from the judgment has expired.

Sec. 59. [RUSHFORD-PETERSON FUND TRANSFER AUTHORIZATION.]

Independent school district No. 239, Rushford-Peterson, may make permanent transfers between any of the funds in the district, with the exception of the debt redemption fund, during the 90 days following the effective date of this section.

Sec. 60. [REVENUE ADJUSTMENTS.]

(a) The department of education shall adjust the 1991 payable 1992 levy for each school district by the amount of the change in the district's education district levy for fiscal year 1992 according to Minnesota Statutes, section 124.2721, subdivision 3, resulting from the change to education district revenue under this article. Notwithstanding Minnesota Statutes, section 121.904, the entire amount of this levy shall be recognized as revenue for fiscal year 1992.

(b) The department of education shall adjust the 1991 payable 1992 levy for each member district of an intermediate district that levies according to section 39, subdivision 3, by the amount of the change in the school district's intermediate district levy for fiscal year 1992 according to section 39, subdivision 3, resulting from the change to intermediate district revenue under this article. Notwithstanding Minnesota Statutes, section 121.904, the entire amount of this levy shall be recognized as revenue for fiscal year 1992.

The department of education shall adjust the 1991 payable 1992 levy for each intermediate district that levies according to section 39, subdivision 6, by the amount of the change in the intermediate district's levy for fiscal year 1992 according to section 39, subdivision 2, resulting from the change to intermediate district revenue under this article. Notwithstanding Minnesota Statutes, section 121.904, the entire amount of this levy shall be recognized as revenue for fiscal year 1992.

Sec. 61. [DISTRICTS WITH SECONDARY EDUCATION AGREEMENTS.]

A district that has had an agreement for secondary education according to Minnesota Statutes, section 122.535, with one or more districts continuously since the 1987-1988 school year is eligible for cooperation and combination revenue if it meets the requirements of Minnesota Statutes, sections 122.241 to 122.248, not later than the first year of cooperation. The department of education shall extend the deadline for submitting a plan in 1991.

Sec. 62. [FINLAYSON AND HINCKLEY COOPERATION AND COMBINATION.]

Independent school district Nos. 570, Finlayson, and 573, Hinckley, may cooperate and combine under Minnesota Statutes, sections 122.241 to 122.248, and receive revenue under Minnesota Statutes, section 124.2725, even if the districts are not contiguous. The districts shall comply with all other requirements for cooperation and combination.

Sec. 63. [APPLICABILITY.]

The provisions relating to capital loans for cooperating and

combining districts apply to all districts that have contracts for capital loans the day following final enactment of this act.

Sec. 64. [PREK-12 AND COMMUNITY EDUCATION SERVICE DELIVERY SYSTEM.]

Subdivision 1. [PURPOSE.] The purpose of this section is to design and implement a statewide delivery system for educational services that will reduce the number of different cooperative organizations and the multiple levels of administration that accompany those organizations.

Subd. 2. [SCOPE OF THE SYSTEM.] (a) A new statewide delivery system must be designed and implemented by the state board of education by June 30, 1995, for all prekindergarten through grade 12 and community education services provided by the organizations enumerated in this paragraph:

(1) the Minnesota department of education;

(2) educational cooperative service units established under Minnesota Statutes, section 123.58;

(3) intermediate school districts established under Minnesota Statutes, chapter 136D;

(4) education districts established under Minnesota Statutes, section 122.91;

(5) regional management information centers established under Minnesota Statutes, section 121.935;

(6) secondary vocational cooperatives established under Minnesota Statutes, section 123.351;

(7) special education cooperatives established under Minnesota Statutes, section 120.17 or 471.59;

(8) technology cooperatives; and

(9) other joint powers agreements established under Minnesota Statutes, section 471.59.

(b) The state board shall compile a list of services and programs provided or administered by each type of organization listed in paragraph (a), clauses (1) to (9).

Subd. 3. [REQUIREMENTS FOR THE SYSTEM.] The new statewide delivery system must provide for no more than three organizations for education service delivery:

(1) a school district, as defined in Minnesota Statutes, chapter 123;

(2) an area education organization to provide those programs and services most efficiently and effectively provided through a joint effort of school districts; and

(3) a state level administrative organization comprised of a state board of education and a state department of education with central and regional delivery centers.

Subd. 4. [LOCAL SCHOOL DISTRICT PLANNING.] To assist the state board in designing a new education delivery system as described in subdivision 3, each school district shall develop a plan for the efficient and effective delivery of educational programs and services within the new education delivery system. The plan developed by each district must contain the following components enumerated in this subdivision:

(1) a list of necessary services provided by the organizations listed in subdivision 2;

(2) a description of the necessary services to be provided by the school district, the area education organization, and the central and regional delivery centers of the department of education described in subdivision 3;

(3) a specification of the optimal number of school districts and number of pupils that an area education organization and regional center of the department of education should serve;

(4) a method for determining the boundaries of area education organizations and regional centers of the department;

(5) a description of how services provided in the area education organizations should be funded;

(6) a determination of the role of the school district, the area education organization, and the central and regional centers of the department in ensuring that health and other social services necessary to maximize a pupil's ability to learn are provided to pupils; and

(7) any additional information requested by the state board of education.

In the development of its plan, each district shall confer with teachers and residents within the district, hold public meetings as necessary, and inform the public concerning its plan and any recommendations. School districts must meet jointly to discuss

aspects of the plan which involve multiple school districts. Each district must submit the plan to the state board by a date specified by the board. School districts cooperating under Minnesota Statutes, sections 122.241 to 122.248, 122.535, or 122.541 must submit a joint plan.

Subd. 5. [STATE BOARD OF EDUCATION TO DIRECT LOCAL SCHOOL DISTRICT PLANNING.] The state board of education shall direct local school district efforts to develop the plan described in subdivision 4. To assist school districts in planning, the board shall provide each school district with the list of services and programs compiled according to subdivision 2. The commissioner of education shall provide staff assistance to the state board as required by the board to direct this planning process.

Subd. 6. [STATE BOARD OF EDUCATION REPORTS TO THE LEGISLATURE.] (a) The state board of education shall set a date by which school districts must submit their plan to the board. The board shall report to the legislature by February 1, 1992, on school district progress in the planning process. The board shall make a final report to the legislature by January 1, 1993. The final report must contain recommendations for the design of an education service delivery system in accordance with this section and recommendations for legislation required to implement the system.

(b) The report must include recommendations specifying at which organizational level of the education delivery system described in subdivision 3 collective bargaining could take place most effectively and efficiently. The board must consult with the bureau of mediation services in developing these recommendations.

(c) The final report must include recommendations of the legislative commission on children, youth, and their families established according to article 8, section 1 on coordinating local health, correctional, educational, job, and human services to improve the efficiency and effectiveness of services to children and families and to eliminate duplicative and overlapping services.

Sec. 65. [EARLY RECOGNITION OF COOPERATION REVENUE.]

Independent school district Nos. 543, Deer Creek, and 819, Wadena, may recognize cooperation revenue received for fiscal year 1993 according to Minnesota Statutes, section 124.2725, subdivision 6, in fiscal year 1992.

Sec. 66. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums

indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [EDUCATION DISTRICT AID.] For education district aid according to Minnesota Statutes, section 124.2721:

\$2,798,000 1992

\$2,290,000 1993

The 1992 appropriation includes \$555,000 for 1991 and \$2,243,000 for 1992.

The 1993 appropriation includes \$395,000 for 1992 and \$1,895,000 for 1993.

Subd. 3. [COOPERATION AND COMBINATION AID.] For aid for districts that cooperate and combine according to Minnesota Statutes, section 124.2725:

\$2,327,000 1992

\$4,148,000 1993

The 1992 appropriation includes \$210,000 for 1991 and \$2,116,000 for 1992.

The 1993 appropriation includes \$373,000 for 1992 and \$3,775,000 for 1993.

Subd. 4. [SECONDARY VOCATIONAL COOPERATIVE AID.] For secondary vocational cooperative aid according to Minnesota Statutes, section 124.575:

\$178,000 1992

\$165,000 1993

The 1992 appropriation includes \$24,000 for 1991 and \$154,000 for 1992.

The 1993 appropriation includes \$27,000 for 1992 and \$138,000 for 1993.

Subd. 5. [EDUCATIONAL COOPERATIVE SERVICE UNITS.] For educational cooperative service units:

\$748,000 1992

\$748,000 1993

The 1992 appropriation includes \$112,000 for 1991 and \$636,000 for 1992.

The 1993 appropriation includes \$112,000 for 1992 and \$636,000 for 1993.

Money from this appropriation may be transmitted to ECSU boards of directors for general operations in amounts of up to \$68,000 per ECSU for each fiscal year. The ECSU whose boundaries coincide with the boundaries of development region 11 and the ECSU whose boundaries encompass development regions six and eight may receive up to \$136,000 for each fiscal year.

Before releasing money to the ECSUs, the department of education shall ensure that the annual plan of each ECSU explicitly addresses the specific educational services that can be better provided by an ECSU than by a member district. The annual plan must include methods to increase direct services to school districts in cooperation with the state department of education. The department may withhold all or a part of the money for an ECSU if the department determines that the ECSU has not been providing services according to its annual plan.

Subd. 6. [MANAGEMENT INFORMATION CENTERS.] For management information centers according to Minnesota Statutes, section 121.935, subdivision 5:

\$3,411,000 1992

\$3,411,000 1993

\$356,000 each year is for software support of the ESV information system.

Sec. 67. [REPEALER.]

Subdivision 1. [JULY 1, 1991.] Minnesota Statutes 1990, 124C.02; 136D.27, subdivision 1; 136D.74, subdivision 2; 136D.87, subdivision 1; and 275.125, subdivisions 8d, are repealed.

Subd. 2. [IMMEDIATE.] Minnesota Statutes 1990, sections 124.493, subdivision 2; 136D.28; 136D.30; 136D.89; 136D.91; and Laws 1990, chapter 562, article 6, section 36, are repealed.

The repeal of Minnesota Statutes, sections 136D.28 and 136D.89, shall not affect any rights or duties relating to bonds issued according to the repealed sections.

Subd. 3. [July 1, 1993.] Minnesota Statutes 1990, sections 121.935, subdivision 5; 121.91, subdivision 7; 122.945, subdivision 4; 124.2721, subdivision 3a; and 124.535, subdivision 3a.

Sec. 68. [EFFECTIVE DATE.]

Sections 2, 3, 6, 7, 8, 9, 12, 14, 16, and 17 are effective for school districts with an effective date of reorganization according to Minnesota Statutes, section 122.22 or 122.23 after June 30, 1990, and for school districts that certified a levy according to Minnesota Statutes, section 124.2725 after July 1, 1989.

Sections 39, 47, 48, 49, 50, 51, 52, 53, 54, 55, 57, 58, 59, and 67, subdivision 2, are effective the day following final enactment.

Sections 4, 5, 20, 22, 23, 24, 25, 26, 28, 30, 31, 32, 33, 41, 42, 43, 44, 45, and 67, subdivision 3, are effective July 1, 1993.

Sec. 69. [RETROACTIVE EFFECT.]

Notwithstanding the effective date of Laws 1990, chapter 562, article 6, section 6, a district shall pay severance pay, according to section 18, to a teacher who was placed on unrequested leave of absence as a result of an agreement for secondary education according to Minnesota Statutes 1990, section 122.535, effective on or about the close of the 1989-1990 school year, if the teacher is otherwise eligible according to section 18. The amount of the severance pay is the amount specified in section 18.

ARTICLE 7

OTHER AIDS AND LEVIES

Section 1. [120.0111] [MISSION STATEMENT.]

The mission of public education in Minnesota, a system for lifelong learning, is to ensure individual academic achievement, an informed citizenry, and a highly productive work force. This system focuses on the learner, promotes and values diversity, provides participatory decision-making, ensures accountability, models democratic principles, creates and sustains a climate for change, provides personalized learning environments, encourages learners to reach their maximum potential, and integrates and coordinates human services for learners.

Sec. 2. Minnesota Statutes 1990, section 120.101, is amended by adding a subdivision to read:

Subd. 5b. [INSTRUCTIONAL DAYS.] Every child required to receive instruction according to subdivision 5 shall receive instruc-

tion for at least the number of days per year required in the following schedule:

- (1) 1995-1996, 172;
- (2) 1996-1997, 174;
- (3) 1997-1998, 176;
- (4) 1998-1999, 178;
- (5) 1999-2000, 180;
- (6) 2000-2001, 182;
- (7) 2001-2002, 184;
- (8) 2002-2003, 186;
- (9) 2003-2004, 188; and
- (10) 2004-2005, and later school years, 190.

Sec. 3. Minnesota Statutes 1990, section 121.585, subdivision 3, is amended to read:

Subd. 3. [HOURS OF INSTRUCTION.] Pupils participating in a program must be able to receive the same total number of hours of instruction they would receive if they were not in the program. If a pupil has not completed the graduation requirements of the district after completing the minimum number of secondary school hours of instruction, the district may allow the pupil to continue to enroll in courses needed for graduation.

For the purposes of section 120.101, subdivision 5, the minimum number of hours for a year determined for the appropriate grade level of instruction shall constitute ~~170~~ the number of days of instruction required under section 120.101, subdivision 5b. Hours of instruction that occur after the close of the instructional year in June shall be attributed to the following fiscal year.

Sec. 4. Minnesota Statutes 1990, section 121.608, is amended to read:

121.608 [EDUCATIONAL EFFECTIVENESS PLAN.]

The commissioner of education shall develop a comprehensive statewide plan for maintaining and improving educational effectiveness in ~~the schools~~ early childhood family education programs

through secondary education programs. The plan shall include provisions for the participation of post-secondary teacher preparation programs and early childhood family education programs. The plan shall encourage implementation of educational effectiveness strategies based on research findings in the area, develop in-service programs for school district staff, integrate developments in educational technology with classroom instruction, and develop a mechanism for establishing a statewide network to coordinate and disseminate information on research in educational effectiveness. The commissioner may employ consultants and specialists to assist in the development of the plan, and, to the extent possible, shall utilize the information provided by the planning, evaluation, and reporting process and the statewide assessment program. The plan shall be revised as necessary.

Sec. 5. Minnesota Statutes 1990, section 121.609, subdivision 2, is amended to read:

Subd. 2. [RESEARCH AND DEVELOPMENT OF IN-SERVICE PROGRAM.] The commissioner shall administer a research and development program of educational effectiveness and outcome-based education in-service. The advisory task force established in subdivision 1 may recommend modifications in the in-service program as necessary.

Sec. 6. [121.831] [LEARNING READINESS PROGRAMS.]

Subdivision 1. [ESTABLISHMENT.] A district or a group of districts may establish a learning readiness program for eligible children.

Subd. 2. [CHILD ELIGIBILITY.] A child is eligible to participate in a learning readiness program if the child is:

- (1) at least four years old but has not entered kindergarten; and
- (2) has participated or will participate in an early childhood screening program according to section 123.702.

A child may participate in a program provided by the district in which the child resides or by any other district.

Subd. 3. [PROGRAM ELIGIBILITY.] A learning readiness program shall include the following:

- (1) a comprehensive plan to coordinate social services to provide for the needs of participating families and for collaboration with agencies or other community-based organizations providing services to families with young children;

(2) a development and learning component to help a child develop socially, intellectually, physically, and emotionally in a manner appropriate to the child;

(3) health referral services to address the medical, dental, mental health, and nutritional needs of the children;

(4) a nutrition component to meet the nutritional needs of the children; and

(5) involvement of parents in the educational, health, social service, and other needs of the children.

Subd. 4. [PROGRAM CHARACTERISTICS.] Learning readiness programs may include the following:

(1) an individualized service plan to meet the individual needs of each child;

(2) participation by families who are representative of the racial, cultural, and economic diversity of the community;

(3) parent education to increase parents' knowledge, understanding, skills, and experience in child development and learning;

(4) substantial parent involvement, that may include developing curriculum or serving as a paid or volunteer educator, resource person, or other staff;

(5) identification of the needs of families with respect to the child's learning readiness;

(6) a plan to expand collaboration with public organizations, businesses, nonprofit organizations, or other private organizations to promote the development of a coordinated system of services available to all families with eligible children;

(7) coordination of treatment and follow-up services for all identified physical and mental health problems;

(8) staff and program resources, including interpreters, that reflect the racial and ethnic population of the children in the program;

(9) transportation for eligible children and their parents for whom other forms of transportation are not available or would constitute an excessive financial burden; and

(10) substantial outreach efforts to assure participation by families with greatest needs.

Subd. 5. [PURCHASE OR CONTRACT FOR SERVICES.] Whenever possible, a district may contract with a public organization or nonprofit organization providing developmentally appropriate services meeting one or more of the program requirements in subdivision 3, clauses (1) to (4). A district may also pay tuition or fees to place an eligible child in an existing program or establish a new program. Services may be provided in a site-based program or in the home of the child or a combination of both. The district may not limit participation to residents of the district.

Subd. 6. [COORDINATION WITH OTHER PROVIDERS.] The district shall optimize coordination of the learning readiness program with existing service providers located in the community. To the extent possible, resources shall follow the children based on the services needed, so that children have a stable environment and are not moved from program to program.

Subd. 7. [ADVISORY COUNCIL.] Each learning readiness program shall have an advisory council which shall advise the school board in creating and administering the program and shall monitor the progress of the program. The council shall ensure that children at greatest risk receive appropriate services. The school board shall:

(1) appoint parents of children enrolled in the program who represent the racial, cultural, and economic diversity of the district and representatives of early childhood service providers as representatives to an existing advisory council; or

(2) appoint a joint council made up of members of existing boards, parents of participating children, and representatives of early childhood service providers.

Subd. 8. [PRIORITY CHILDREN.] The district shall give high priority to providing services to eligible children identified, through a means such as the early childhood screening process, as being developmentally disadvantaged or experiencing risk factors that could impede their learning readiness.

Subd. 9. [CHILD RECORDS.] A record of a child's progress and development shall be maintained in the child's cumulative record while enrolled in the learning readiness program. The cumulative record shall be used for the purpose of planning activities to suit individual needs and shall become part of the child's permanent record.

Subd. 10. [SUPERVISION.] A program provided by a school board shall be supervised by a licensed early childhood teacher or a certified early childhood educator. A program provided according to a contract between a school district and a nonprofit organization or another private organization shall be supervised according to the terms of the contract.

Subd. 11. [DISTRICT STANDARDS.] The school board of the district shall develop standards for the learning readiness program.

Subd. 12. [PROGRAM FEES.] A district may adopt a sliding fee schedule based on a family's income but shall waive a fee for a participant unable to pay. The fees charged must be designed to enable eligible children of all socioeconomic levels to participate in the program.

Subd. 13. [ADDITIONAL REVENUE.] A district or an organization contracting with a district may receive money or in-kind services from a public or private organization.

Sec. 7. Minnesota Statutes 1990, section 123.3514, subdivision 3, is amended to read:

Subd. 3. [DEFINITIONS.] For purposes of this section, an "eligible institution" means a Minnesota public post-secondary institution, a private, nonprofit two-year trade and technical school granting associate degrees, or a private, residential, two-year or four-year, liberal arts, degree-granting college or university located in Minnesota. "Course" means a course or program.

Sec. 8. Minnesota Statutes 1990, section 123.3514, is amended by adding a subdivision to read:

Subd. 11. [PUPILS AT A DISTANCE FROM AN ELIGIBLE INSTITUTION.] A pupil who is enrolled in a secondary school that is located 40 miles or more from the nearest eligible institution may request that the resident district offer at least one accelerated or advanced academic course within the resident district in which the pupil may enroll for post-secondary credit. A pupil may enroll in a course offered under this subdivision for either secondary or post-secondary credit according to subdivision 5.

A district must offer an accelerated or advanced academic course for post-secondary credit if one or more pupils requests such a course under this subdivision. The district may decide which course to offer, how to offer the course, and whether to offer one or more courses. The district must offer at least one such course in the next academic period and must continue to offer at least one accelerated or advanced academic course for post-secondary credit in later academic periods.

Sec. 9. Minnesota Statutes 1990, section 123.951, is amended to read:

123.951 [SCHOOL SITE MANAGEMENT AGREEMENT.]

(a) A school board may enter into an agreement with a school site

management team concerning the governance, management, or control of a any school in the district. Upon a written request from a proposed school site management team, an initial school site management team shall be appointed by the school board and shall may include the school principal, representatives of teachers in the school, representatives of other employees in the school, representatives of parents of pupils in the school, representatives of pupils in the school, representatives of other members in the community, and or others determined appropriate by the board. The permanent school site management team shall consist of at least include the school principal and representatives elected by each group represented on the initial team or other person having general control and supervision of the school.

The school board may delegate any of its powers or duties to the school site management team.

(b) School site management agreements must focus on creating management teams and in involving staff members in decision making.

(c) An agreement may include:

(1) a strategic plan for districtwide decentralization of resources developed through staff participation;

(2) a decision-making structure that allows teachers to identify problems and the resources needed to solve them; and

(3) a mechanism to allow principals, or other persons having general control and supervision of the school, to make decisions regarding how resources are best allocated and to act as advocates for additional resources on behalf of the entire school.

(d) Any powers or duties not specifically delegated to the school site management team in the school site management agreement shall remain with the school board.

(e) Approved agreements shall be filed with the commissioner. If a school board denies a request to enter into a school site management agreement, it shall provide a copy of the request and the reasons for its denial to the commissioner.

Sec. 10. Minnesota Statutes 1990, section 124.19, subdivision 1, is amended to read:

Subdivision 1. [INSTRUCTIONAL TIME.] Every district shall maintain school in session or provide instruction in other districts for at least 175 the number of days required in subdivision 1b, not including summer school, or the equivalent in a district operating a

flexible school year program. A district that holds school for the required minimum number of days and is otherwise qualified is entitled to state aid as provided by law. If school is not held for the required minimum number of days, state aid shall be reduced by the ratio that the difference between ~~175~~ the required number of days and the number of days school is held bears to ~~175~~ the required number of days, multiplied by 60 percent of the basic revenue, as defined in section 124A.22, subdivision 2, of the district for that year. However, districts maintaining school for fewer than the required minimum number of days do not lose state aid (1) if the circumstances causing loss of school days below the required minimum number of days are beyond the control of the board, (2) if proper evidence is submitted, and (3) if a good faith attempt made to make up time lost due to these circumstances. The loss of school days resulting from a lawful employee strike shall not be considered a circumstance beyond the control of the board. Days devoted to meetings authorized or called by the commissioner may not be included as part of the required minimum number of days of school. For grades 1 to 12, ~~not more than five days~~ may be devoted to parent-teacher conferences, teachers' workshops, or other staff development opportunities as part of the required minimum number of days must not exceed the difference between the number of days required in subdivision 1b and the number of instructional days required in subdivision 1b. For kindergarten, ~~not more than ten days~~ may be devoted to parent-teacher conferences, teachers' workshops, or other staff development opportunities as part of the required minimum number of days must not exceed twice the number of days for grades 1 to 12.

Sec. 11. Minnesota Statutes 1990, section 124.19, is amended by adding a subdivision to read:

Subd. 1b. [REQUIRED DAYS.] Each district shall maintain school in session or provide instruction in other districts for at least the number of days required for the school years listed below:

- (1) 1995-1996, 177;
- (2) 1996-1997, 179;
- (3) 1997-1998, 181;
- (4) 1998-1999, 183;
- (5) 1999-2000, 185;
- (6) 2000-2001, 187;
- (7) 2001-2002, 189;

(8) 2002-2003, 191;

(9) 2003-2004, 193; and

(10) 2004-2005, and later school years, 195.

Sec. 12. Minnesota Statutes 1990, section 124.19, subdivision 7, is amended to read:

Subd. 7. [ALTERNATIVE PROGRAMS.] (a) This subdivision applies to an alternative program that has been approved by the state board of education pursuant to Minnesota Rules, part 3500.3500, as exempt from Minnesota Rules, part 3500.1500, requiring a school day to be at least six hours in duration.

(b) To receive general education revenue for a pupil in an alternative program, a school district must meet the requirements in this paragraph. The program must be approved by the commissioner of education. In approving a program, the commissioner may use the process used for approving state designated area learning centers under section 124C.49.

(c) In addition to the requirements in paragraph (b), to receive general education revenue for a pupil in an alternative program that has an independent study component, a school district must meet the requirements in this paragraph.

The school district must develop with the pupil a continual learning plan for the pupil. A district must allow a minor pupil's parent or guardian to participate in developing the plan, if the parent or guardian wants to participate. The plan must identify the learning experiences and expected outcomes needed for satisfactory credit for the year and for graduation. The plan must be updated each year.

General education revenue for a pupil in an approved alternative program without an independent study component must be prorated for a pupil participating for less than a full school year, or its equivalent.

General education revenue for a pupil in an approved alternative program that has an independent study component must be paid for each hour of teacher contact time and each hour of independent study time completed toward a credit necessary for graduation. Average daily membership for a pupil shall equal the number of hours of teacher contact time and independent study time divided by ~~1,020 hours~~ the product of the number of instructional days required for that year and six, but not more than one, except as otherwise provided in section 121.585.

For an alternative program having an independent study component, the commissioner shall require a description of the courses in the program, the kinds of independent study involved, the expected learning outcomes of the courses, and the means of measuring student performance against the expected outcomes.

Sec. 13. [124.2615] [LEARNING READINESS AID.]

Subdivision 1. [PROGRAM REVIEW AND APPROVAL.] By February 15, 1991, for the 1991-1992 school year or by January 1 of subsequent school years, a district must submit to the commissioners of education, health, human services, and jobs and training:

(1) a description of the services to be provided;

(2) a plan to ensure children at greatest risk receive appropriate services;

(3) a description of procedures and methods to be used to coordinate public and private resources to maximize use of existing community resources, including school districts, health care facilities, government agencies, neighborhood organizations, and other resources knowledgeable in early childhood development;

(4) comments about the district's proposed program by the advisory council required by section 6, subdivision 7; and

(5) agreements with all participating service providers.

Each commissioner may review and comment on the program, and make recommendations to the commissioner of education, within 30 days of receiving the plan.

Subd. 2. [AMOUNT OF AID.] A district is eligible to receive learning readiness aid if the program plan as required by subdivision 1 has been approved by the commissioner of education. For fiscal year 1992, the aid is equal to:

(1) \$200 times the number of eligible four-year old children residing in the district, as determined according to section 124.2711, subdivision 2; plus

(2) \$100 times the result of;

(3) the ratio of the number of pupils enrolled in the school district from families eligible for the free or reduced school lunch program to the total number of pupils enrolled in the school district; times

(4) the number of children in clause (1).

For fiscal year 1993 and thereafter, a district shall receive learning readiness aid equal to:

(1) \$500 times the number of all participating eligible children; plus

(2) \$200 times the number of participating eligible children identified according to section 6, subdivision 8.

Subd. 3. [USE OF AID.] Learning readiness aid shall be used only to provide a learning readiness program and may be used to provide transportation. Not more than five percent of the aid may be used for the cost of administering the program. Aid must be used to supplement and not supplant local, state, and federal funding. Aid may not be used to purchase land or construct buildings, but may be used to lease or renovate existing buildings.

Subd. 4. [SEPARATE ACCOUNTS.] The district shall deposit learning readiness aid in a separate account within the community education fund.

Sec. 14. [124C.10] [CITATION.]

Sections 15 and 16 may be cited as the Minnesota local partnership act.

Sec. 15. [124C.11] [PURPOSE OF THE MINNESOTA LOCAL PARTNERSHIP ACT.]

The purpose of the Minnesota local partnership act is to design methods to focus on the development and learning of children and youth in Minnesota in the 1990's and the next century. Cooperation and collaboration of all services, including education, health, and human services for children and youth will be encouraged at the local and state level. The program will provide incentives to design a system of child-focused coordinated services to enhance the learning and development of individual children and youth.

Sec. 16. [124C.12] [MINNESOTA LOCAL PARTNERSHIP PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] A program is established under the direction of the state board of education, with the cooperation of the commissioners of education, health, and human services. It is expected that participants and other districts will become exemplary districts by the year 2000.

Subd. 2. [ELIGIBILITY.] An applicant for revenue may be any one of the following:

(1) a school district located in a city of the first class offering a program in cooperation with other districts or by itself, in one or more areas in the district or in the entire district;

(2) at least two cooperating school districts located in the seven-county metropolitan area but not located in a city of the first class;

(3) a group of school districts that are all members of the same education district;

(4) an education district;

(5) a group of cooperating school districts none of which are members of any education district; or

(6) a school district.

Subd. 3. [COMMUNITY EDUCATION COUNCIL.] Each revenue recipient must establish one or more community education councils. A community education council may be composed of elected representatives of local governments, an education district board, school boards, human service providers, health providers, education providers, community service organizations, clergy, local education sites, and local businesses. The community education council shall plan for the education, human service, and health needs of the community and collaborative ways to modify or build facilities for use by all community residents. A council formed under this subdivision may be an expansion of and replace the community education advisory council required by section 121.88, subdivision 2.

Subd. 4. [APPLICATION PROCESS.] To obtain revenue, a district or districts must submit an application to the state board in the form and manner established by the state board. Additional information may be required by the state board.

Subd. 5. [REVENUE.] The state board may award revenue to up to four applicants. The board may determine the size of the award based upon the application. Recipients must be located throughout the state.

Subd. 6. [PROCEEDS OF REVENUE.] Revenue may be used for initial planning expenses and for implementing child-focused learning and development programs.

Sec. 17. Minnesota Statutes 1990, section 125.185, subdivision 4, is amended to read:

Subd. 4. The board shall adopt rules to license public school teachers and interns subject to chapter 14. The board shall adopt rules for examination of teachers, as defined in section 125.03,

subdivision 5. The rules may allow for completion of the examination of skills in reading, writing, and mathematics before entering or during a teacher education program. The board shall adopt rules to approve teacher education programs. The board of teaching shall provide the leadership and shall adopt rules by October 1, 1988, for the redesign of teacher education programs to implement a research based, results-oriented curriculum that focuses on the skills teachers need in order to be effective. The board shall implement new systems of teaching education program evaluation to assure program effectiveness based on proficiency of graduates in demonstrating attainment of program outcomes.

These rules shall ~~encourage~~ require teacher educators to work directly with elementary or secondary school teachers in elementary or secondary schools to obtain a periodic exposure to the elementary or secondary teaching experience environment. The board shall also grant licenses to interns and to candidates for initial licenses. The board shall design and implement an assessment system which requires candidates for initial licensure and first continuing licensure to demonstrate the abilities necessary to perform selected, representative teaching tasks at appropriate levels. The board shall receive recommendations from local committees as established by the board for the renewal of teaching licenses. The board shall grant life licenses to those who qualify according to requirements established by the board, and suspend or revoke licenses pursuant to sections 125.09 and 214.10. Notwithstanding any law or rule to the contrary, the board shall not establish any expiration date for application for life licenses. With regard to vocational education teachers the board of teaching shall adopt and maintain as its rules the rules of the state board of education and the state board of technical colleges.

Sec. 18. Minnesota Statutes 1990, section 125.185, subdivision 4a, is amended to read:

Subd. 4a. Notwithstanding section 125.05, or any other law to the contrary, the authority of the board of teaching and the state board of education to approve teacher education programs and to issue teacher licenses expires on June 30, 1996. Any license issued by the board of teaching or the state board of education after the effective date of this section must expire by June 30, 1996.

The board of teaching, in cooperation with the state board of education and the higher education coordinating board, shall develop policies and corresponding goals for making teacher education curriculum more consistent with the purpose of state public education. The revised teacher education curriculum must be consistent with the board of teaching rules required under subdivision 4 for redesigning teacher education programs to implement a research-based, results-oriented curriculum. The revised teacher education curriculum may include a requirement that teacher education

programs contain a one-year mentorship program. The mentorship program must provide students with elementary or secondary teaching experience and appropriate professional support and evaluation from licensed classroom teachers, including mentor teachers. By February 1, 1992, the board of teaching shall provide the education committees of the legislature with detailed written guidelines, strategies, and programs to implement the revised teacher education curriculum. By February 1, 1993, the board of teaching and the state board of education shall adopt rules under chapter 14 that are consistent with the guidelines, strategies, and programs provided to the legislature, including amending board rules governing the issuing, expiring, and renewing of teacher licenses.

The higher education coordinating board shall assist the state's teacher preparation institutions in developing teacher education curriculum for their students that is consistent with the guidelines, programs, and strategies approved by the legislature. The institutions must use the revised teacher education curriculum to instruct their students beginning in the 1996-1997 school year.

Subd. 4b. Prior to the adoption by the board of teaching of any rule which must be submitted to public hearing, a representative of the commissioner shall appear before the board of teaching and at the hearing required pursuant to section 14.14, subdivision 1, to comment on the cost and educational implications of that proposed rule.

Sec. 19. [125.1885] [ALTERNATIVE PREPARATION LICENSING FOR ADMINISTRATORS.]

Subdivision 1. [REQUIREMENTS.] (a) A preparation program that is an alternative to a graduate program in education administration for public school administrators to acquire an entrance license is established. The program may be offered in any administrative field.

(b) To participate in the alternative preparation program, the candidate must:

(1) have a master's degree in an administrative area;

(2) have been offered an administrative position in a school district, group of districts, or an education district approved by the state board of education to offer an alternative preparation licensure program;

(3) have five years of experience in a field related to administration; and

(4) document successful experiences working with children and adults.

(c) An alternative preparation license is of one year duration and is issued by the state board of education to participants on admission to the alternative preparation program.

Subd. 2. [CHARACTERISTICS.] The alternative preparation program has the characteristics enumerated in this subdivision:

(1) staff development conducted by a resident mentorship team made up of administrators, teachers, and post-secondary faculty members;

(2) an instruction phase involving intensive preparation of a candidate for licensure before the candidate assumes responsibility for an administrative position;

(3) formal instruction and peer coaching during the school year;

(4) assessment, supervision, and evaluation of a candidate to determine the candidate's specific needs and to ensure satisfactory completion of the program;

(5) a research-based and results-oriented approach focused on skills administrators need to be effective;

(6) assurance of integration of education theory and classroom practices; and

(7) the shared design and delivery of staff development between school district personnel and post-secondary faculty.

Subd. 3. [PROGRAM APPROVAL.] (a) The state board of education shall approve alternative preparation programs based on criteria adopted by the board, after receiving recommendations from an advisory task force appointed by the board.

(b) An alternative preparation program at a school district, group of schools, or an education district must be affiliated with a post-secondary institution that has a graduate program in educational administration for public school administrators.

Subd. 4. [APPROVAL FOR STANDARD ENTRANCE LICENSE.] The resident mentorship team must prepare for the state board of education an evaluation report on the performance of the alternative preparation licensee during the school year and a positive or negative recommendation on whether the alternative preparation licensee shall receive a standard entrance license.

Subd. 5. [STANDARD ENTRANCE LICENSE.] The state board of education shall issue a standard entrance license to an alternative preparation licensee who has successfully completed the school year

in the alternative preparation program and who has received a positive recommendation from the licensee's mentorship team.

Subd. 6. [QUALIFIED ADMINISTRATOR.] A person with a valid alternative preparation license is a qualified administrator within the meaning of section 125.04.

Sec. 20. [125.189] [LICENSURE REQUIREMENTS.]

In addition to other requirements, a candidate for a license or an applicant for a continuing license to teach hearing-impaired students in kindergarten through grade 12 must demonstrate the minimum level of proficiency in American sign language as determined by the Quality Assurance Systems Project of the department of education.

Sec. 21. Minnesota Statutes 1990, section 126.23, is amended to read:

126.23 [AID FOR PRIVATE ALTERNATIVE PROGRAMS.]

If a pupil enrolls in a nonsectarian alternative program operated by a private organization that has contracted with a school district to provide educational services for eligible pupils under section 126.22, subdivision 2, the resident district must reimburse the provider an amount equal to at least 85 88 percent of the basic revenue of the district for each pupil attending the program full time. For a pupil attending the program part time, basic revenue paid to the program shall be reduced proportionately, according to the amount of time the pupil attends the program, and basic revenue paid to the district shall be reduced accordingly. Pupils for whom a district provides reimbursement may not be counted by the district for any purpose other than computation of basic revenue, according to section 124A.22, subdivision 2. If payment is made to a district or program for a pupil under this section, the department of education shall not make a payment for the same pupil under section 126.22, subdivision 8.

Sec. 22. Minnesota Statutes 1990, section 126.661, subdivision 5, is amended to read:

Subd. 5. [ESSENTIAL LEARNER OUTCOMES.] "Essential learner outcomes" means the specific basic learning experiences that must be are provided for all students and are used as the basis for assessing educational progress statewide.

Sec. 23. Minnesota Statutes 1990, section 126.661, is amended by adding a subdivision to read:

Subd. 7. [OUTCOME-BASED EDUCATION.] Outcome-based ed-

ucation is a pupil-centered, results-oriented system premised on the belief that all individuals can learn. In this system:

- (1) what a pupil is to learn is clearly identified;
- (2) each pupil's progress is based on the pupil's demonstrated achievement;
- (3) each pupil's needs are accommodated through multiple instructional strategies and assessment tools; and
- (4) each pupil is provided time and assistance to realize her or his potential.

Sec. 24. Minnesota Statutes 1990, section 126.663, subdivision 2, is amended to read:

Subd. 2. [STATE LEARNER OUTCOMES.] The state board of education, with the assistance of the state curriculum advisory committee ~~and the office on educational leadership~~, shall identify and adopt learner goals, essential learner outcomes, and integrated learner outcomes for curriculum areas, under section 120.101, subdivision 6, including the curriculum areas of communication skills, fine arts, mathematics, science, social studies, and health and physical education, and for career vocational curricula. Learner outcomes shall include thinking and problem solving skills. Learner outcomes shall consist of a sequence of outcomes beginning with early childhood programs through secondary education programs.

Sec. 25. Minnesota Statutes 1990, section 126.663, subdivision 3, is amended to read:

Subd. 3. [MODEL LEARNER OUTCOMES.] The department shall develop and maintain model learner outcomes in state board identified subject areas, including career vocational learner outcomes. The department shall make learner outcomes available upon request by a district. Learner outcomes shall be for pupils in kindergarten to early childhood through grade 12. The department shall consult with each of the public post-secondary systems and with the higher education coordinating board in developing model learner outcomes appropriate for entry into post-secondary institutions. Learner outcomes shall include thinking and problem solving skills.

Sec. 26. Minnesota Statutes 1990, section 126.666, subdivision 2, is amended to read:

Subd. 2. [CURRICULUM ADVISORY COMMITTEE.] Each school board shall establish a curriculum advisory committee to permit active community participation in all phases of the PER

process. The district advisory committee, to the extent possible, shall be representative of the diversity of the community served by the district and the learning sites within the district, and include principals, teachers, parents, support staff, pupils, and other community residents. The district may establish building teams as subcommittees of the district advisory committee. The district committee shall retain responsibility for recommending to the school board districtwide learner outcomes, assessments, and program evaluations. Learning sites may establish expanded curriculum, assessments, and program evaluations. Whenever possible, parents and other community residents shall comprise at least two-thirds of the advisory committee. The committee shall make recommendations to the board about the programs enumerated in section 124A.27, that the committee determines should be offered. The recommendations shall be based on district and learning site needs and priorities.

Sec. 27. Minnesota Statutes 1990, section 126.666, is amended by adding a subdivision to read:

Subd. 4a. [STUDENT EVALUATION.] The school board shall annually provide high school graduates or GED recipients who received a diploma or its equivalent from the school district with an opportunity to report to the board on the following:

- (1) the quality of district instruction and services;
- (2) the quality of district delivery of instruction and services;
- (3) the utility of district facilities; and
- (4) the effectiveness of district administration.

Sec. 28. Minnesota Statutes 1990, section 126.666, is amended by adding a subdivision to read:

Subd. 4b. [PERIODIC REPORT.] Each school district at least once per six school years shall collect consumers' opinions, including the opinions of currently enrolled students, parents, and other district residents, regarding their level of satisfaction with their school experience. The district shall report the results of the consumer evaluation according to the requirements of subdivision 4.

Sec. 29. Minnesota Statutes 1990, section 126.67, subdivision 2b, is amended to read:

Subd. 2b. [DISTRICT ASSESSMENTS.] As part of the PER process, each year a district shall, in at least three grades or for three age levels, conduct assessments among at least a sample of pupils for each subject area in that year of the curriculum review cycle. The

district's curriculum review cycle shall not exceed six years. Assessments may not be conducted in the same curriculum area for two consecutive years. The district may use tests from the assessment item bank, the local assessment program developed by the department, or other tests. As they become available, districts shall use state developed measures to assure state progress toward achieving the state core board adopted essential learner outcomes in each subject area at least once during the curriculum review cycle. Funds are provided for districts that choose to use the local assessment program or the assessment item bank.

Sec. 30. Minnesota Statutes 1990, section 126.70, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY FOR REVENUE.] A school board may use the revenue authorized in section 124A.29 for staff time for peer review under section 125.12 or 125.17, or if it establishes a an outcome-based staff development advisory committee and adopts a staff development plan on outcome-based education according to this subdivision. A majority of the advisory committee must be teachers representing various grade levels and subject areas. The advisory committee must also include ~~representatives of parents, and administrators.~~ The advisory committee shall develop a staff development plan containing proposed outcome-based education activities and related expenditures and shall submit the plan to the school board. If the school board approves the plan, the district may use the staff development revenue authorized in section 124A.29. Copies of approved plans must be submitted to the commissioner.

Sec. 31. Minnesota Statutes 1990, section 126.70, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF THE PLAN.] The plan may include:

(1) procedures the district will use to analyze and identify teaching and curricular outcome-based education needs, including the need for mentor teachers;

(2) ~~short- and long-term curriculum and staff development needs;~~

(3) integration with in-service and curricular efforts already in progress;

(4) (3) goals to be achieved and the means to be used; and

(5) (4) procedures for evaluating progress; and

(6) ~~whether the school board intends to offer contracts under the excellence in teaching program.~~

Sec. 32. Minnesota Statutes 1990, section 126.70, subdivision 2a, is amended to read:

Subd. 2a. [PERMITTED USES.] A school board may approve a plan ~~for~~ to accomplish any of the following purposes:

(1) ~~for in-service education to increase the effectiveness of teachers in responding to children and young people at risk of not succeeding at school foster readiness for outcome-based education by increasing knowledge and understanding of and commitment to outcome-based education;~~

(2) ~~to participate in the educational effectiveness program according to section 121.609 facilitate organizational changes by enabling a site-based team composed of pupils, parents, school personnel, and community members to address pupils' needs through outcome-based education;~~

(3) ~~to provide in-service education for elementary and secondary teachers to improve the use of technology in education develop programs to increase pupils' educational progress by developing appropriate outcomes and personal learning plans and by encouraging pupils and their parents to assume responsibility for their education;~~

(4) ~~to provide subject area in-service education emphasizing the academic content of curricular areas determined by the district to be a priority area design and develop outcome-based education programs containing various instructional opportunities that recognize pupils' individual needs and utilize family and community resources;~~

(5) ~~to use experienced teachers, as mentors, to assist in the continued development of new teachers; evaluate the effectiveness of outcome-based education policies, processes, and products through appropriate evaluation procedures that include multiple criteria and indicators; and~~

(6) ~~to increase the involvement of parents, business, and the community in education, including training teachers to plan and implement parental involvement programs that will more fully involve parents in their children's learning development;~~

(7) ~~for experimental delivery systems;~~

(8) ~~for in-service education to increase the effectiveness of principals and administrators;~~

(9) ~~for in-service education or curriculum development for programs for gifted and talented pupils;~~

~~(10) for in-service education or curriculum development for cooperative efforts to increase curriculum offerings;~~

~~(11) for improving curriculum, according to the needs identified under the planning, evaluation, and reporting process set forth in section 126.666;~~

~~(12) for in-service education and curriculum development designed to promote sex equity in all aspects of education, with emphasis on curricular areas such as mathematics, science, and technology programs;~~

~~(13) for in-service education or curriculum modification for handicapped pupils and low-achieving pupils;~~

~~(14) for short-term contracts as described in section 126.72; or~~

~~(15) to employ teachers for an extended year to perform duties directly related to improving curriculum or teaching skills provide staff time for peer review of probationary, continuing contract, and nonprobationary teachers.~~

Sec. 33. Minnesota Statutes 1990, section 260.015, subdivision 19, is amended to read:

Subd. 19. [HABITUAL TRUANT.] "Habitual truant" means a child under the age of 16 years ~~through the 1999-2000 school year and under the age of 18 beginning with the 2000-2001 school year~~ who is absent from attendance at school without lawful excuse for seven school days if the child is *in elementary school* or for one or more class periods on seven school days if the child is in middle school, junior high school, or high school.

Sec. 34. [LEARNING READINESS PROGRAM REPORT.]

Each school district receiving learning readiness aid shall report to the commissioner of education by January 1 of 1992 and 1993 about the types of services provided through the program, progress made by participating children, the number of participating children receiving services without charge, the number of participating children paying reduced fees, the number of participating children paying the full fee, total expenditures for services, and the amount of money and in-kind services received from public or private organizations. A district shall report actual information to the extent the information is available, and other information as required in section 13, subdivision 1.

Sec. 35. [STATE BOARD RECOMMENDATIONS.]

By February 1, 1993, the state board of education shall present to

the education committees of the legislature recommendations for integrating education funding and the achievement of state and local outcomes.

Sec. 36. [RULE REVIEW.]

Subdivision 1. [REPORT.] The state board of education shall review each board rule to determine whether it is necessary, reasonable, and cost-effective and whether it is consistent with legislative policy adopted since the rule was enacted. The board shall report to the education committees of the legislature by January 1, 1993, on any amendment required to make a rule necessary, reasonable, or cost-effective or consistent with legislative policy and on any rule required to be repealed.

Subd. 2. [STAFF] The commissioner of education shall provide staff assistance to the state board of education, at the request of the board, to complete the report required under subdivision 1.

Sec. 37. [OUTCOME-BASED EDUCATION PROGRAM CONTRACTS.]

Subdivision 1. [DEFINITION.] For the purposes of this section, outcome-based education has the meaning given it in Minnesota Statutes, section 126.661, subdivision 7.

Subd. 2. [ESTABLISHMENT.] A process for contracting between a public school, school district, or group of districts and the department of education to develop outcome-based education programs is established. The purpose of the contract is to enable public schools, school districts, and groups of districts to develop outcome-based programs that improve pupils' educational achievement through instructional opportunities that recognize pupils' individual needs.

Subd. 3. [ELIGIBILITY.] A school, school district, or group of districts seeking to contract with the department to develop an outcome-based education program must agree to serve as a demonstration site during the term of the contract and for a minimum of one school year after the expiration date of the contract.

Subd. 4. [CONTRACTING PROCESS.] The commissioner of education shall establish an outcome-based education contract committee of qualified department staff to determine the areas to be included in the outcome-based education program contracts and other contract terms and conditions. The committee, after consulting with the commissioner and the state board of education, shall determine the form and manner by which a school, a school district, or a group of districts may seek a contract. The committee shall disseminate information about the contracts and the contracting process.

Subd. 5. [CONTRACT APPROVAL.] By October 1 of the current school year, the committee shall award outcome-based education program contracts to qualified schools, school districts, or groups of districts. In awarding contracts, the committee shall consider the geographical location of the school, school district, or group of districts seeking the contract, whether the outcome-based education program would be available to elementary, middle, or secondary pupils and the areas to be included in the outcome-based education program. For programs addressing specific subject areas, the outcome-based education contract committee shall consult with curriculum experts in those subject areas to evaluate those program proposals.

Subd. 6. [CONTRACT FUNDS.] Any unexpended contract funds awarded to a school, school district, or group of districts in one fiscal year do not cancel but are available in the next fiscal year.

Subd. 7. [EVALUATION.] The commissioner shall provide for an evaluation of the demonstration site programs and shall disseminate throughout the state information on the components of successful outcome-based education programs.

Sec. 38. [AID TRANSFER.]

A district that has established a designated account for early childhood programs in fiscal year 1991 for revenue from a referendum levy authorized in November 1990 under Minnesota Statutes, section 124A.03, may transfer learning readiness aid from the community service fund to the general fund.

Sec. 39. [BOARD OF TEACHING APPROPRIATION.]

Subdivision 1. [BOARD OF TEACHING.] The sums indicated in this section are appropriated from the general fund to the board of teaching in the fiscal years indicated.

Subd. 2. [TEACHER EDUCATION IMPROVEMENT.] For board of teaching responsibilities specified in Minnesota Statutes, section 125.185, subdivisions 4 and 4a:

\$165,000 1992

Any balance in the first year does not cancel but is available in the second year. This appropriation is only available if teacher license fees are increased to raise an equivalent amount.

Sec. 40. [HECB APPROPRIATION.]

Subdivision 1. [HIGHER EDUCATION COORDINATING BOARD.] The sums indicated in this section are appropriated from

the general fund to the higher education coordinating board for the fiscal years designated.

Subd. 2. [SUMMER PROGRAM SCHOLARSHIPS.] To the higher education coordinating board, for scholarship awards for summer programs according to Minnesota Statutes, section 126.56:

\$214,000 1992

\$214,000 1993

Of this appropriation, any amount required by the higher education coordinating board may be used for the board's costs of administering the program.

Sec. 41. [DEPARTMENT OF EDUCATION APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [AREA LEARNING CENTER GRANTS.] For grants to area learning centers:

\$150,000 1992

\$150,000 1993

Subd. 3. [ARTS PLANNING GRANTS.] For grants for arts planning according to Minnesota Statutes, section 124C.08:

\$38,000 1992

\$38,000 1993

Any balance in the first year does not cancel but is available in the second year.

Subd. 4. [OUTCOME-BASED EDUCATION PROGRAM CONTRACTS.] For entering into contracts for outcome-based education programs according to section 37:

\$675,000 1992

\$675,000 1993

\$55,000 each year is for evaluation and administration of the program.

Sec. 42. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [LEARNING READINESS PROGRAM REVENUE.] For revenue for learning readiness programs:

\$ 8,000,000 1992

\$20,000,000 1993

Any excess appropriations from fiscal year 1992 shall be allocated among school districts providing learning readiness programs according to the proportion of aid determined under section 13, subdivision 2, for a school district to the amount of aid determined under section 13, subdivision 2, for all school districts providing learning readiness programs. The total amount of aid paid to a school district shall not exceed \$2,000 per participating eligible child.

The 1992 appropriation includes \$8,000,000 for 1992.

The 1993 appropriation includes \$3,000,000 for 1992 and \$17,000,000 for 1993.

Any unexpended balance in the first year does not cancel but is available in the second year.

Subd. 3. [MINNESOTA LOCAL PARTNERSHIP REVENUE.] For revenue for the Minnesota local partnership act:

\$100,000 1992

Up to \$5,000 may be used for the expenses of a task force to advise the state board about the program and to make recommendations to the state board about revenue applications.

The amount appropriated is available until June 30, 1992.

Sec. 43. [REPEALER.]

(a) Minnesota Statutes 1990, sections 120.011 and 121.111 are repealed.

(b) Minnesota Statutes 1990, section 124C.41, subdivisions 6 and 7, are repealed effective July 1, 1991. In the next edition of Minnesota Statutes, the revisor of statutes shall change the first

grade and section headnotes to read "Teacher Centers" to reflect the changes made by the repealer in this paragraph.

Sec. 44. [EFFECTIVE DATE.]

Section 8 is effective July 1, 1993. Section 20 is effective August 1, 1994.

ARTICLE 8

OTHER EDUCATION PROGRAMS

Section 1. [3.873] [LEGISLATIVE COMMISSION ON CHILDREN, YOUTH, AND THEIR FAMILIES.]

Subdivision 1. [ESTABLISHMENT.] A legislative commission on children, youth, and their families is established to study state policy and legislation affecting children and youth and their families. The commission shall make recommendations about how to ensure and promote the present and future well-being of Minnesota children and youth and their families, including methods for helping state and local agencies to work together.

Subd. 2. [MEMBERSHIP AND TERMS.] The commission consists of 16 members that reflect a proportionate representation from each party. Eight members from the house shall be appointed by the speaker of the house and eight members from the senate shall be appointed by the subcommittee on committees of the committee on rules and administration. The membership must include members of the following committees in the house and the senate: health and human services, governmental operations, education, judiciary, and appropriations or finance. The commission must have representatives from both rural and metropolitan areas. The terms of the members are for two years beginning on January 1 of each odd-numbered year.

Subd. 3. [OFFICERS.] The commission shall elect a chair and vice-chair from among its members. The chair must alternate biennially between a member of the house and a member of the senate. When the chair is from one body, the vice-chair must be from the other body.

Subd. 4. [STAFF.] The commission may use existing legislative staff to provide legal counsel, research, fiscal, secretarial, and clerical assistance.

Subd. 5. [INFORMATION COLLECTION; INTERGOVERNMENTAL COORDINATION.] (a) The commission may conduct public hearings and otherwise collect data and information necessary to its purposes.

(b) The commission may request information or assistance from any state agency or officer to assist the commission in performing its duties. The agency or officer shall promptly furnish any information or assistance requested.

(c) Before implementing new or substantially revised programs relating to the subjects being studied by the commission under subdivision 7, the commissioner responsible for the program shall prepare an implementation plan for the program and shall submit the plan to the commission for review and comment. The commission may advise and make recommendations to the commissioner on the implementation of the program and may request the changes or additions in the plan it deems appropriate.

(d) By July 1, 1991, the responsible state agency commissioners, including the commissioners of education, health, human services, jobs and training, and corrections, shall prepare data for presentation to the commission on the state programs to be examined by the commission under subdivision 7, paragraph (a).

(e) To facilitate coordination between executive and legislative authorities, the governor shall appoint a person to act as liaison between the commission and the governor.

Subd. 6. [LEGISLATIVE REPORTS AND RECOMMENDATIONS.] The commission shall make recommendations to the legislature to implement combining education, and health and human services and related support services provided to children and their families by the departments of education, human services, health and other state agencies into a single state department of children and families to provide more effective and efficient services. The commission also shall make recommendations to the legislature or committees, as it deems appropriate to assist the legislature in formulating legislation. To facilitate coordination between executive and legislative authorities, the commission shall review and evaluate the plans and proposals of the governor and state agencies on matters within the commission's jurisdiction and shall provide the legislature with its analysis and recommendations. Any analysis and recommendations must integrate recommendations for the design of an education service delivery system under article 6, section 31. The commission shall report its final recommendations under this subdivision and subdivision 7, paragraph (a), by January 1, 1993. The commission shall submit a progress report by January 1, 1992.

Subd. 7. [PRIORITIES.] The commission shall give priority to studying and reporting to the legislature on the matters described in this subdivision.

(a) The commission must study and report on methods of improving legislative consideration of children and family issues and

coordinating state agency programs relating to children and families, including the desirability, feasibility, and effects of creating a new state department of children's services, or children and family services, in which would be consolidated the responsibility for administering state programs relating to children and families.

(b) The commission must study and report on methods of consolidating or coordinating local health, correctional, educational, job, and human services, to improve the efficiency and effectiveness of services to children and families and to eliminate duplicative and overlapping services. The commission shall evaluate and make recommendations on programs and projects in this and other states that encourage or require local jurisdictions to consolidate the delivery of services in schools or other community centers to reduce the cost and improve the coverage and accessibility of services.

(c) The commission must study and report on methods of improving and coordinating educational, social, and health care services that assist children and families during the early childhood years. The commission's study must include an evaluation of the following: early childhood health and development screening services, head-start, child care, and early childhood family education.

(d) The commission must study and report on methods of improving and coordinating the practices of judicial, correctional, and social service agencies in placing juvenile offenders and children who are in need of protective services or treatment.

Subd. 8. [EXPENSES AND REIMBURSEMENTS.] The per diem and mileage costs of the members of the commission must be reimbursed as provided in section 3.101. The health and human services, governmental operations, education, judiciary, and appropriations or finance committees in the house and the senate shall share equally the responsibility to pay commission members' per diem and mileage costs from their committee budgets.

Subd. 9. [EXPIRATION.] The commission expires on June 30, 1994.

Sec. 2. Minnesota Statutes 1990, section 121.912, is amended by adding a subdivision to read:

Subd. 7. [UNEMPLOYMENT RESERVE BALANCE.] The reserved fund balance for unemployment insurance as of June 30 of each year may not exceed \$10 times the number of pupil units for that year. The department shall reduce the levy certified by the district, according to section 275.125, subdivision 4, the following year for obligations under section 268.06, subdivision 25, by the amount of the excess.

Sec. 3. [123.709] [CHEMICAL ABUSE PREVENTION PROGRAM.]

Subdivision 1. [DEFINITION.] "Targeted children and young people" means those individuals, whether or not enrolled in school, who are under 21 years of age and who are susceptible to abusing chemicals. Included among these individuals are those who:

- (1) are the children of drug or alcohol abusers;
- (2) are at risk of becoming drug or alcohol abusers;
- (3) are school dropouts;
- (4) are failing in school;
- (5) have become pregnant;
- (6) are economically disadvantaged;
- (7) are victims of physical, sexual, or psychological abuse;
- (8) have committed a violent or delinquent act;
- (9) have experienced mental health problems;
- (10) have attempted suicide;
- (11) have experienced long-term physical pain due to injury;
- (12) have experienced homelessness;
- (13) have been expelled or excluded from school under sections 127.26 to 127.39; or
- (14) have been adjudicated children in need of protection or services.

Subd. 2. [PURPOSE.] Schools, school districts, groups of school districts, community groups, or other regional public or nonprofit entities may contract with the commissioner of education to provide programs to prevent chemical abuse and meet the developmental needs of targeted children and young people, and to help these individuals overcome barriers to learning.

Subd. 3. [OBJECTIVES.] The commissioner of education may enter into contracts to:

(1) train individuals to work with targeted children and young people;

(2) expand the ability of the community to meet the needs of targeted children and young people and their families by locating appropriated services and resources at or near a school site; and

(3) involve the parents and other family members of these targeted children and young people more fully in the education process.

Subd. 4. [CONTRACT TERMS.] The commissioner may enter into contracts for programs that the commissioner determines are meritorious and appropriate and for which revenue is available. All contractors must offer vocational training or employment services, health screening referrals, and mental health or family counseling. A contractor receiving funds in one fiscal year may carry forward any unencumbered funds into the next fiscal year.

Subd. 5. [COMMISSIONER'S ROLE.] (a) The commissioner shall develop criteria, which the commissioner shall periodically evaluate, for entering into program contracts.

(b) The criteria must include:

(1) targeted families confronting social or economic adversity;

(2) offering programs to targeted children and young people during and after school hours and during the summer;

(3) integrating the cultural and linguistic diversity of the community into the school environment;

(4) involving targeted children and young people and their families in planning and implementing programs;

(5) facilitating meaningful collaboration among the service providers located at or near a school site;

(6) locating programs throughout the state; and

(7) serving diverse populations of targeted children and young people, with a focus on children through grade 3.

Subd. 6. [EVALUATION.] The commissioner shall evaluate contractors' programs and shall disseminate successful program components statewide.

Sec. 4. [124.278] [MINORITY TEACHER INCENTIVES.]

Subdivision 1. [ELIGIBLE DISTRICT.] A district is eligible for reimbursement under this section if the district has:

- (1) a minority enrollment of more than ten percent; or
- (2) a desegregation plan approved by the state board of education.

Subd. 2. [ELIGIBLE EMPLOYEE.] The following employees are eligible for reimbursement under this section:

- (1) a teacher who is a member of a minority group and who has not taught in a Minnesota school district during the school year before the year the teacher is employed according to this section; and
- (2) an aide or an education assistant who is a member of a minority group and who has not been employed as an aide or an education assistant in a Minnesota school district during the school year before the year the aide or education assistant is employed according to this section.

Subd. 3. [REIMBURSEMENT.] Reimbursement shall equal one-half of the salary and fringe benefits, but not more than \$20,000. The district shall receive reimbursement for each year a minority teacher, aide, or education assistant is employed. The department of education shall establish application or other procedures for districts to obtain the reimbursement. The department shall not prorate the reimbursement.

Subd. 4. [MINORITY GROUP.] For the purposes of this section, a person is a member of a minority group if the person is African American, American Indian, Asian Pacific American, or an American of Mexican, Puerto Rican, or Spanish origin or ancestry.

Sec. 5. Minnesota Statutes 1990, section 124.646, is amended to read:

Subdivision 1. [SCHOOL LUNCH AID COMPUTATION.] Each school year, school districts participating in the national school lunch program shall be paid by the state in the amount of 7-5 6.5 cents for each full paid, reduced, and free student lunch served to students in the district.

Subd. 2. School districts shall not be paid by the state for free or reduced price type "A" lunches served by the district.

Subd. 3. School districts shall apply to the state department of education for this payment on forms provided by the department.

Subd. 4. [SCHOOL FOOD SERVICE FUND.] (a) The expenses

described in this subdivision must be recorded as provided in this subdivision.

(b) In each school district, the expenses for a school food service program for pupils must be attributed to a school food service fund. Under a food service program, the school food service may prepare or serve milk, meals, or snacks in connection with school or community service activities.

(c) Revenues and expenditures for food service activities must be recorded in the food service fund. The costs of processing applications, accounting for meals, preparing and serving food, providing kitchen custodial services, and other expenses involving the preparing of meals or the kitchen section of the lunchroom may be charged to the food service fund or to the general fund of the district. The costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, and other administrative costs of the food service program, including the costs attributable to the superintendent and the financial manager must be charged to the general fund.

(d) Capital expenditures for the purchase of food service equipment must be made from the capital fund and not the food service fund, unless two conditions apply:

(1) the unreserved balance in the food service fund at the end of the last fiscal year is greater than the cost of the equipment to be purchased; and

(2) the department of education has approved the purchase of the equipment.

(e) If the two conditions set out in paragraph (d) apply, the equipment may be purchased from the food service fund.

(f) If a deficit in the food service fund exists at the end of a fiscal year, and the deficit is not eliminated by revenues from food service operations in the next fiscal year, then the deficit must be eliminated by a permanent fund transfer from the general fund at the end of that second fiscal year.

Sec. 6. Minnesota Statutes 1990, section 124.6472, subdivision 1, is amended to read:

Subdivision 1. [BREAKFAST REQUIRED.] A school district shall offer a school breakfast program in every school building in which:

(1) at least 40 percent of the school lunches served [during the 1989-1990 second] preceding school year were served free or at a reduced price; or

(2) at least 15 percent of the children in the school would take part in the program, as indicated by a survey of the parents in the school.

Sec. 7. Minnesota Statutes 1990, section 125.231, is amended to read:

125.231 [TEACHER ASSISTANCE THROUGH MENTORSHIP PROGRAM.]

Subdivision 1. [TEACHER MENTORING PROGRAM.] School districts are encouraged to participate in a competitive grant program that explores the potential of various teacher mentoring programs for teachers new to the profession or district, or for teachers with special needs.

Subd. 2. [TEACHER MENTORING TASK FORCE.] The commissioner shall appoint and work with a teacher mentoring task force including representatives of the two teachers unions, the two principals organizations, school boards association, administrators association, board of teaching, parent teacher association, post-secondary institutions, foundations, and the private sector. Representation on the task force by minority populations of color shall reflect the proportion of minorities people of color in the public schools.

The task force shall:

(1) make recommendations for a system of incentives at the state and local level to assure that highly capable individuals are attracted to and retained in the teaching profession;

(2) determine ways in which teachers can be empowered through expanding to new and more professional roles; and

(3) develop the application forms, criteria, and procedures for the mentorship program;

(2) select sites to receive grant funding; and

(3) provide ongoing support and direction for program implementation.

Subd. 3. [APPLICATIONS.] The commissioner of education shall make application forms available by October 1, 1987 to sites interested in developing or expanding a mentorship program. By December 1, 1987, A school district, a group of school districts, or a coalition of districts, teachers and teacher education institutions may apply for a teacher mentorship program grant. By January 1, 1988, The commissioner, in consultation with the teacher mentoring task force, shall approve or disapprove the applications. To the

extent possible, the approved applications must reflect a variety of mentorship program models effective mentoring components, include a variety of coalitions and be geographically distributed throughout the state. The commissioner of education shall encourage the selected sites to consider the use of the assessment procedures developed by the board of teaching.

Subd. 4. [CRITERIA FOR SELECTION.] At a minimum, applicants must express commitment to:

- (1) allow staff participation;
- (2) assess skills of both beginning and mentor teachers;
- (3) provide appropriate in-service to needs identified in the assessment;
- (4) provide leadership to the effort;
- (5) cooperate with higher education institutions;
- (6) provide facilities and other resources; and
- (7) share findings, materials, and techniques with other school districts.

Subd. 5. [ADDITIONAL FUNDING.] Applicants are required to seek additional funding and assistance from sources such as school districts, post-secondary institutions, foundations, and the private sector.

Subd. 6. [REPORT TO THE LEGISLATURE.] By January 1, 1991, the commissioner of education shall report to the legislature on how the teacher mentoring task force recommendations for a system of incentives are being implemented at the state and local level to assure that highly capable individuals are attracted to and retained in the teaching profession and shall recommend ways to expand and enhance the responsibilities of teachers.

By January 1 of 1990 and 1991, the commissioner of education shall report to the legislature on the design, development, implementation, and evaluation of the mentorship program.

Subd. 7. [PROGRAM IMPLEMENTATION.] New and expanding mentorship sites that are funded to design, develop, implement, and evaluate their program must participate in activities that support program development and implementation. The department of education must provide resources and assistance to support new sites in their program efforts. These activities and services may include, but are not limited to: planning, planning guides, media,

training, conferences, institutes, and regional and statewide networking meetings. Nonfunded schools or districts interested in getting started may participate in some activities and services. Fees may be charged for meals, materials, and the like.

Sec. 8. Minnesota Statutes 1990, section 126.113, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The Minnesota education in agriculture leadership council is established to promote education about agriculture.

Sec. 9. Minnesota Statutes 1990, section 126.113, subdivision 2, is amended to read:

Subd. 2. [GOVERNANCE.] The council must be appointed by the governor and has 12 members. One member must be appointed from each congressional district and the remaining members must be appointed at large. Council terms and removal of members are as provided in section 15.0575. ~~Council members may receive reimbursement for expenses only if sources other than a direct legislative appropriation are available to pay the costs of members' reimbursement.~~ The council is governed by an executive board of directors. The council may organize and appoint committees as it considers necessary.

Sec. 10. Minnesota Statutes 1990, section 141.25, subdivision 8, is amended to read:

Subd. 8. [FEES AND TERMS OF LICENSE.] (a) Applications for initial license under sections 141.21 to 141.36 shall be accompanied by ~~\$510~~ \$560 a nonrefundable application fee.

(b) All licenses shall expire on December 31 of each year. Each renewal application shall be accompanied by a nonrefundable renewal fee of ~~\$380~~ \$430.

(c) Application for renewal of license shall be made on or before October 1 of each calendar year. Each renewal form shall be supplied by the commissioner. It shall not be necessary for an applicant to supply all information required in the initial application at the time of renewal unless requested by the commissioner.

Sec. 11. Minnesota Statutes 1990, section 141.26, subdivision 5, is amended to read:

Subd. 5. [FEE.] The initial and renewal application for each permit shall be accompanied by a nonrefundable fee of ~~\$190~~ \$210.

Sec. 12. Minnesota Statutes 1990, section 171.29, subdivision 2, is amended to read:

Subd. 2. (a) A person whose drivers license has been revoked as provided in subdivision 1, except under section 169.121 or 169.123, shall pay a \$30 fee before the person's drivers license is reinstated.

(b) A person whose drivers license has been revoked as provided in subdivision 1 under section 169.121 or 169.123 shall pay a \$200 fee before the person's drivers license is reinstated to be credited as follows:

(1) 25 percent shall be credited to the trunk highway fund;

(2) 50 percent shall be credited to a separate account to be known as the county probation reimbursement account. Money in this account may be appropriated to the commissioner of corrections for the costs that counties assume under Laws 1959, chapter 698, of providing probation and parole services to wards of the commissioner of corrections. This money is provided in addition to any money which the counties currently receive under section 260.311, subdivision 5;

(3) ten percent shall be credited to a separate account to be known as the bureau of criminal apprehension account. Money in this account may be appropriated to the commissioner of public safety and shall be divided as follows: eight percent for laboratory costs; two percent for carrying out the provisions of section 299C.065;

(4) 15 percent shall be credited to a separate account to be known as the alcohol-impaired driver education account. Money in the account may be appropriated to the commissioner of education for grants to develop alcohol-impaired driver education and chemical abuse prevention programs in elementary and, secondary, and post-secondary schools. The state board of education shall establish guidelines for the distribution of the grants. ~~Each year the commissioner may use \$100,000 to administer the grant program and other traffic safety education programs.~~

Sec. 13. Minnesota Statutes 1990, section 475.61, subdivision 3, is amended to read:

Subd. 3. [IRREVOCABILITY.] Tax levies so made and filed shall be irrevocable, except as provided in this subdivision.

In each year when there is on hand any excess amount in the debt redemption fund of a school district at the time the district makes its property tax levies, the amount of the excess shall be certified by the school board to the county auditor and the auditor shall reduce the tax levy otherwise to be included in the rolls next prepared by the

amount certified, unless. The commissioner shall prescribe the form and calculation to be used in computing the excess amount. The school board determines that may, with the approval of the commissioner, retain the excess amount if it is necessary to ensure the prompt and full payment of the obligations and any call premium on the obligations, or will be used for redemption of the obligations in accordance with their terms. An amount shall be presumed to be excess for a school district in the amount that it, together with the levy required by subdivision 1, will exceed 106 percent of the amount needed to meet when due the principal and interest payments on the obligations due before the second following July 1. This subdivision shall not limit a school board's authority to. The school board may, with the approval of the commissioner, specify a tax levy in a higher amount if necessary because of anticipated tax delinquency or for cash flow needs to meet the required payments from the debt redemption fund.

If the governing body, including the governing body of a school district, in any year makes an irrevocable appropriation to the debt service fund of money actually on hand or if there is on hand any excess amount in the debt service fund, the recording officer may certify to the county auditory the fact and amount thereof and the auditor shall reduce by the amount so certified the amount otherwise to be included in the rolls next thereafter prepared.

Sec. 14. [NONOPERATING FUND TRANSFERS.]

On June 30, 1992, a school district may permanently transfer money from the capital expenditure fund and from the debt redemption fund, to the extent the transferred money is not needed for principal and interest payments on bonds outstanding at the time of transfer, to the transportation fund, capital expenditure fund, or the debt redemption fund. No levies shall be reduced as a result of a transfer. Each district transferring money according to this section shall report to the commissioner of education a report of each transfer. The commissioner of education shall report to the chairs of the education funding divisions of the house of representatives and the senate the aggregate transfers, by fund, made by school districts.

Sec. 15. [FUND TRANSFER.]

Notwithstanding Minnesota Statutes, section 121.912, subdivision 1, in fiscal year 1992, the reserved fund balance for unemployment insurance that exceeds \$10 times the number of pupil units in the district during the 1990-1991 school year as of June 30, 1991, remaining, after the levy for unemployment insurance is reduced by the department of education, shall be transferred to the capital expenditure fund or the transportation fund.

Sec. 16. [TASK FORCE ON EDUCATION AND EMPLOYMENT TRANSITIONS.]

Subdivision 1. [DEFINITION.] For the purposes of this section, "education and employment transitions" means those processes and structures that provide an individual with awareness of employment opportunities, demonstrate the relationship between education and employment and the applicability of education to employment, identify an individual's employment interests, and assist the individual to make transitions between education and employment.

Subd. 2. [TASK FORCE ON EDUCATION AND EMPLOYMENT TRANSITIONS.] The state council on vocational technical education shall establish a task force on education and employment transitions.

Subd. 3. [PLAN.] The task force shall develop a statewide plan for implementing programs for education and employment transitions. The plan shall identify:

(1) existing public and private efforts in Minnesota that assist students to make successful transitions between education and employment;

(2) programs in other states and countries that are successfully preparing individuals for employment;

(3) how to overcome barriers that may prevent public and private collaboration in planning and implementing programs for education and employment transitions;

(4) the role of public and private groups in education and employment transitions;

(5) new processes and structures to implement statewide programs for education and employment transitions;

(6) how to integrate programs for education and employment transitions and outcome-based education initiatives;

(7) how to implement programs for education and employment transitions in Minnesota; and

(8) models for administrative and legislative action.

Subd. 4. [MEMBERSHIP.] The task force shall include:

(1) the members of the higher education advisory council under

Minnesota Statutes, section 136A.02, subdivision 6, or members' designees;

(2) the executive director of the higher education coordinating board or the executive director's designee;

(3) the commissioner of jobs and training or the commissioner's designee;

(4) the commissioner of trade and economic development or the commissioner's designee;

(5) the commissioner of human services or the commissioner's designee;

(6) the commissioner of labor and industry or the commissioner's designee;

(7) up to ten members who represent the interests of education, labor, business, agriculture, trade associations, local service units, private industry councils, and appropriate community groups selected by the state council on vocational technical education;

(8) two members from the house of representatives, appointed by the speaker of the house of representatives; and

(9) two members from the senate, appointed by the subcommittee on committees of the committee on rules and administration.

Subd. 5. [PLAN DESIGN.] The state council on vocational technical education shall select up to nine members appointed to the task force who represent the interests of business, labor, community, and education to serve as a plan design group to develop the plan described in subdivision 3. The task force shall make recommendations to the plan design group on the merits of the plan design.

Subd. 6. [ASSISTANCE OF AGENCIES.] Task force members may request information and assistance from any state agency or office to enable the task force to perform its duties.

Subd. 7. [REPORT AND RECOMMENDATION.] The task force shall provide an interim report describing its progress to the legislature by February 15, 1992. The task force shall report its plan and recommendations to the legislature by January 15, 1993.

Sec. 17. [BOARD OF TEACHING APPROPRIATION.]

Subdivision 1. [BOARD OF TEACHING.] The sums indicated in

this section are appropriated from the general fund to the board of teaching in the fiscal year indicated.

Subd. 2. [FELLOWSHIP GRANTS.] For fellowship grants to highly qualified minorities seeking alternative preparation for licensure:

\$100,000 1993

A grant must not exceed \$5,000 with one-half paid each year for two years. Grants must be awarded on a competitive basis by the board. Grant recipients must agree to remain as teachers in the district for two years if they satisfactorily complete the alternative preparation program and if their contracts as probationary teachers are renewed.

Sec. 18. [STATE BOARD OF TECHNICAL COLLEGES APPROPRIATION.]

Subdivision 1. [STATE BOARD OF TECHNICAL COLLEGES.] The sum indicated in this section is appropriated from the general fund to the state board of technical colleges for the state council on vocational technical education for the fiscal year designated.

Subd. 2. [TASK FORCE ON EDUCATION AND EMPLOYMENT TRANSITIONS.] For the task force on education and employment transitions:

\$40,000 1992

The appropriation is available until June 30, 1993.

The commissioner of education and the chancellor of the technical college system shall provide additional resources, as necessary, through the use of money appropriated to the state under the Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990, Public Law Number 101-392, title II, part A, section 201.

Sec. 19. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums in this section are appropriated, unless otherwise indicated, from the general fund to the department of education for the fiscal years designated.

Subd. 2. [ABATEMENT AID.] For abatement aid according to Minnesota Statutes, section 124.214:

\$6,018,000 1992

\$6,018,000 1993

The 1992 appropriation includes \$902,000 for 1991 and \$5,116,000 for 1992.

The 1993 appropriation includes \$902,000 for 1992 and \$5,116,000 for 1993.

Subd. 3. [INTEGRATION GRANTS.] For grants to districts implementing desegregation plans mandated by the state board:

\$15,844,000 1992

\$15,844,000 1993

\$1,385,200 each year must be allocated to independent school district No. 709, Duluth; \$7,782,300 each year must be allocated to special school district No. 1, Minneapolis; and \$6,676,500 each year must be allocated to independent school district No. 625, St. Paul. As a condition of receiving a grant, each district must continue to report its costs according to the uniform financial accounting and reporting system. As a further condition of receiving a grant, each district must submit a report to the chairs of the education committees of the legislature about the actual expenditures it made for integration using the grant money. These grants may be used to transport students attending a nonresident district under Minnesota Statutes, section 120.062, to the border of the resident district. A district may allocate a part of the grant to the transportation fund for this purpose.

Subd. 4. [GRANTS FOR COOPERATIVE DESEGREGATION.] For grants to develop interdistrict school desegregation programs:

\$400,000 1992

\$200,000 1993

The commissioner of education shall award grants to school districts to develop pilot interdistrict cooperative programs to reduce segregation, as defined in Minnesota Rules, part 3535.0200, subpart 4, in school buildings.

To obtain a grant, a district that is required to submit a plan under Minnesota Rules, part 3535.0600, with the assistance of at least one adjacent district that is not required to submit a plan, shall submit an application to the commissioner.

The application shall contain a plan for:

(1) activities such as staff development, curriculum development, student leadership, student services, teacher and student exchanges, interdistrict meetings, and orientation for school boards, parents, and the community;

(2) implementation of the activities in clause (1) before possible student transfers occur; and

(3) possible voluntary transfer of students between districts beginning with the 1991-1992 school year.

A grant recipient shall submit a report about its activities.

Subd. 5. [NONPUBLIC PUPIL AID.] For nonpublic pupil education aid according to Minnesota Statutes, sections 123.931 to 123.947:

\$8,892,000 1992

\$8,892,000 1993

The 1992 appropriation includes \$1,333,000 for 1991 and \$7,559,000 for 1992.

The 1993 appropriation includes \$1,333,000 for 1992 and \$7,559,000 for 1993.

Subd. 6. [SCHOOL LUNCH AND FOOD STORAGE AID.] For school lunch aid according to Minnesota Statutes, section 124.646, and Code of Federal Regulations, title 7, section 210.17, and for food storage and transportation costs for United States Department of Agriculture donated commodities; and for a temporary transfer to the commodity processing revolving fund to provide cash flow to permit schools and other recipients of donated commodities to take advantage of volume processing rates and for school milk aid according to Minnesota Statutes, section 124.648:

\$5,925,000 1992

\$5,925,000 1993

Any unexpended balance remaining from the appropriations in this subdivision shall be prorated among participating schools based on the number of free, reduced, and fully paid federally reimbursable student lunches served during that school year.

If the appropriation amount attributable to either year is insufficient, the rate of payment for each fully paid student lunch shall be reduced and the aid for that year shall be prorated among partici-

pating schools so as not to exceed the total authorized appropriation for that year.

Any temporary transfer processed in accordance with this subdivision to the commodity processing fund will be returned by June 30 in each year so that school lunch aid and food storage costs can be fully paid as scheduled.

Not more than \$800,000 of the amount appropriated each year may be used for school milk aid.

Subd. 7. [TOBACCO USE PREVENTION.] For tobacco use prevention aid according to Minnesota Statutes, section 124.252:

\$100,000 1992

The 1992 appropriation includes \$100,000 for 1991.

Subd. 8. [CAREER TEACHER AID.] For career teacher aid according to Minnesota Statutes, section 124.276:

\$750,000 1992

Any unexpended balance remaining in the first year does not cancel but is available in the second year.

Notwithstanding Minnesota Statutes 1989 Supplement, section 124.276, subdivision 2, the aid may be used for the increased district contribution to the teachers' retirement association and to FICA resulting from the portion of the teaching contract that is in addition to the standard teaching contract of the district.

Subd. 9. [MINORITY TEACHER INCENTIVES.] For minority teacher incentives:

\$1,000,000 1992

Any unexpended balance remaining in 1992 does not cancel but is available in 1993.

Subd. 10. [TEACHER MENTORSHIP.] For grants to develop mentoring programs in school districts according to Minnesota Statutes, section 125.231:

\$350,000 1992

\$350,000 1993

Any balance in the first year does not cancel and is available for the second year.

Subd. 11. [EDUCATION IN AGRICULTURE LEADERSHIP COUNCIL.] For operating expenses of the Minnesota education in agriculture leadership council:

\$25,000 1992

Any balance in the first year does not cancel but is available in the second year.

Subd. 12. [MINNESOTA PRINCIPAL ASSESSMENT CENTER.] For the Minnesota principal assessment center:

\$70,000 1992

\$70,000 1993

Subd. 13. [COMPUTER ASSISTED INSTRUCTIONAL STRATEGY GRANTS.] For grants to school districts of up to \$10,000 for each site in a district to purchase, lease, or lease purchase computer assisted instructional strategy software and hardware:

\$250,000 1992

Software obtained with grant money shall include programmed teaching instructions that allow for individualized student learning. The commissioner shall give preference to districts with a high level of low-achieving or at-risk pupils. A grant is contingent upon a district providing money to match the grant money.

The appropriation is available until June 30, 1993.

Subd. 14. [APPROPRIATIONS FOR DISTRICTS.] For grants to certain school districts:

\$115,000 1992

\$ 20,000 1993

\$25,000 in 1992 is for a grant to independent school district No. 518, Worthington, for planning the construction of new residential facilities for the Lakeview program for handicapped students. The grant must be matched with money from nonstate sources.

\$40,000 in 1992 is for a grant to independent school district No. 707, Nett Lake, to pay insurance premiums under Minnesota Statutes, section 466.06.

\$30,000 in 1992 is for the payment of the obligation of independent school district No. 707, Nett Lake, for transfer to the appropriate state agency for unemployment compensation.

\$20,000 in 1992 and \$20,000 in 1993 is for a grant to independent school district No. 695, Chisholm, for a leadership program.

Subd. 15. [ALCOHOL-IMPAIRED DRIVER.] For grants with funds received under Minnesota Statutes, section 171.29, subdivision 2, paragraph (b), clause (4):

\$695,000 1992

\$695,000 1993

These appropriations are from the alcohol-impaired driver account of the special revenue fund. Any funds credited for the department of education to the alcohol-impaired driver account of the special revenue fund in excess of the amounts appropriated in this subdivision are appropriated to the department of education and available in fiscal year 1992 and fiscal year 1993.

Up to \$375,000 each year may be used by the department of education to contract for services to school districts stressing the dangers of driving after consuming alcohol. No more than five percent of this amount may be used for administrative costs by the contract recipients.

Up to \$100,000 each year may be used for grants to support student-centered programs to discourage driving after consuming alcohol.

Up to \$225,000 and any additional funds each year may be used for chemical abuse prevention grants under section 3.

Subd. 16. [CHILDREN'S COMMISSION.] For the legislative commission on children, youth, and their families:

\$20,000 1992

Any balance in the first year does not cancel but is available in the second year.

Sec. 20. [REPEALER.]

Minnesota Statutes 1990, sections 3.865; 3.866; 124.252; 124C.01, subdivision 2; and 124C.41, subdivision 7, are repealed.

ARTICLE 9
MISCELLANEOUS

Section 1. Minnesota Statutes 1990, section 120.062, subdivision 8a, is amended to read:

Subd. 8a. ~~[WAIVER OF EXCEPTIONS TO DEADLINES.]~~ ~~(a)~~ Notwithstanding subdivision 4, the following pupil application procedures apply:

(a) Upon agreement of the resident and nonresident school districts, a pupil may submit an application to a nonresident district after January 15 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.

(b) Notwithstanding subdivision 4, If, as a result of entering into, modifying, or terminating an agreement under section 122.541 or 122.535 entered into after January 1, a pupil is assigned after December 1 to a different school, the pupil, the pupil's siblings, or any other pupil residing in the pupil's residence may submit an application to a nonresident district after January 1 but at any time before June July 1 for enrollment beginning the following school year.

(c) A pupil who becomes a resident of a school district after December 1 may submit an application to a nonresident district on January 15 or any time after that date for enrollment beginning any time before the following December 1.

(d) If the commissioner of education and the commissioner of human rights determine that the policies, procedures, or practices of a school district are in violation of Title VI of the Civil Rights Act of 1964 (Public Law Number 88-352) or chapter 363, any pupil in the district may submit an application to a nonresident district at any time for enrollment beginning at any time.

For exceptions under this subdivision, the pupil applicant, the pupil's applicant's parent or guardian, the district of residence, and the district of attendance must observe, in a prompt and efficient manner, the application and notice procedures in subdivisions 4 and 6, except that the application and notice deadlines do not apply.

Sec. 2. [120.0621] [ENROLLMENT OPTIONS PROGRAMS IN BORDER STATES.]

Subdivision 1. [OPTIONS FOR ENROLLMENT IN ADJOINING

STATES.] Minnesota pupils and pupils residing in adjoining states may enroll in school districts in the other state according to:

(1) section 120.08, subdivision 2; or

(2) this section.

Subd. 2. [PUPILS IN MINNESOTA.] A Minnesota resident pupil may enroll in a school district in an adjoining state if the district is located in a county that borders Minnesota.

Subd. 3. [PUPILS IN BORDERING STATES.] A non-Minnesota pupil who resides in an adjoining state in a county that borders Minnesota may enroll in a Minnesota school district if either the school board of the district in which the pupil resides or state in which the pupil resides pays tuition to the school district in which the pupil is enrolled. The tuition must be an amount that is at least comparable to the tuition specified in section 120.08, subdivision 1.

Subd. 4. [PROCEDURAL REQUIREMENTS.] Except as otherwise provided in this section, the rights and duties set forth in section 120.062 apply to pupils, parents, and school districts if a pupil enrolls in a nonresident district according to this section.

Subd. 5. [AID ADJUSTMENTS.] The state of Minnesota shall make adjustments to general education aid, capital expenditure facilities aid, and capital expenditure equipment aid according to sections 124A.036, subdivision 5, and 124.245, subdivision 6, respectively, for the resident district of a Minnesota pupil enrolled in another state according to this section. The state of Minnesota shall reimburse the nonresident district, according to section 120.08, subdivision 1, in which a Minnesota pupil is enrolled according to this section.

Subd. 6. [EFFECTIVE IF RECIPROCAL.] This section is effective with respect to South Dakota upon enactment of provisions by South Dakota that are essentially similar to the rights and duties of pupils residing in districts located in all South Dakota counties that border Minnesota. After July 1, 1993, this section is effective with respect to any other bordering state upon enactment of provisions by the bordering state that are essentially similar to the rights and duties of pupils residing in and districts located in all counties that border Minnesota.

Sec. 3. [120.064] [OUTCOME-BASED SCHOOLS.]

Subdivision 1. [PURPOSES.] The purpose of this section is to:

(1) improve pupil learning;

- (2) increase learning opportunities for pupils;
- (3) encourage the use of different and innovative teaching methods;
- (4) require the measurement of learning outcomes and create different and innovative forms of measuring outcomes;
- (5) establish new forms of accountability for schools; or
- (6) create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site.

Subd. 2. [APPLICABILITY.] This section applies only to outcome-based schools formed and operated under this section.

Subd. 3. [SPONSOR.] (a) A school board may sponsor an outcome-based school.

(b) A school board may authorize a maximum of two outcome-based schools. No more than a total of eight outcome-based schools may be authorized. The state board of education shall advise potential sponsors when the maximum number of outcome-based schools has been authorized.

Subd. 4. [FORMATION OF SCHOOL.] (a) A sponsor may authorize one or more licensed teachers under section 215.182, subdivision 2, to form and operate an outcome-based school subject to approval by the state board of education. The teachers shall organize and operate a school as a cooperative under chapter 308A or nonprofit corporation under chapter 317A.

(b) Before a teacher may begin to form and operate a school, the sponsor must file an affidavit with the state board of education stating its intent to authorize an outcome-based school. The affidavit must state the terms and conditions under which the sponsor would authorize an outcome-based school. The state board must approve or disapprove the sponsor's proposed authorization within 30 days of receipt of the affidavit. Failure to obtain state board approval precludes a sponsor from authorizing the outcome-based school that was the subject of the affidavit.

(c) The teachers authorized to organize and operate a school shall hold an election for members of the school's board of directors. All staff members employed at the school and all parents of children enrolled in the school may participate in the election. Licensed teachers employed at the school must be a majority of the members of the board of directors.

(d) The sponsor's authorization for an outcome-based school shall be in the form of a written contract signed by the sponsor and the board of directors of the outcome-based school.

Subd. 5. [CONTRACT.] The contract for an outcome-based school shall be in writing and contain at least the following:

(1) a description of a program that carries out one or more of the purposes in subdivision 1;

(2) specific outcomes pupils are to achieve under subdivision 10;

(3) admission policies and procedures;

(4) management and administration of the school;

(5) requirements and procedures for program and financial audits;

(6) how the school will comply with subdivisions 8, 13, 15, and 21;

(7) assumption of liability by the outcome-based school;

(8) types and amounts of insurance coverage to be obtained by the outcome-based school; and

(9) the term of the contract which may be up to three years.

Subd. 6. [ADVISORY COMMITTEE.] (a) The state board of education shall appoint an advisory committee comprised of ten members. At least two members shall be African American, two members shall be American Indian, two members shall be Asian Pacific American, and two members shall be Hispanic. One of each of the two members shall reside within the seven-county metropolitan area and one shall reside within Minnesota but outside of the seven-county metropolitan area. In addition, at least one of each of the two members shall be a parent of a child in any of the grades kindergarten through 12. As least five of the ten members shall have family incomes that would make them eligible for free or reduced school lunches.

(b) Each sponsor listed in subdivision 3 shall request the advisory committee to review and make recommendations about a proposal it receives from an individual or organization that is predominately Caucasian to establish an outcome-based school in which one-half or more of the pupils are expected to be non-Caucasian.

(c) Each sponsor listed in subdivision 3 may request the advisory committee to review and make recommendations about a proposal it receives from an individual or organization that is predominately

non-Caucasian if requested to do so by the individual or organization.

Subd. 7. [EXEMPTION FROM STATUTES AND RULES.] Except as provided in this section, an outcome-based school is exempt from all statutes and rules applicable to a school board or school district, although it may elect to comply with one or more provisions of statutes or rules.

Subd. 8. [REQUIREMENTS.] (a) An outcome-based school shall meet the same health and safety requirements required of a school district.

(b) The school must be located in Minnesota. Its specific location may not be prescribed or limited by a sponsor or other authority except a zoning authority.

(c) The school must be nonsectarian in its programs, admission policies, employment practices, and all other operations. A sponsor may not authorize an outcome-based school or program that is affiliated with a nonpublic sectarian school or a religious institution.

(d) The primary focus of the school must be to provide a comprehensive program of instruction for at least one grade or age group from five through 18 years of age. Instruction may be provided to people younger than five years and older than 18 years of age.

(e) The school may not charge tuition.

(f) The school is subject to and shall comply with chapter 363 and section 126.21.

(g) The school is subject to and shall comply with the pupil fair dismissal act, sections 127.26 to 127.39, and the Minnesota public school fee law, sections 120.71 to 120.76.

(h) The school is subject to the same financial audits, audit procedures, and audit requirements as a school district. The audit must be consistent with the requirements of sections 121.901 to 121.917, except to the extent deviations are necessary because of the program at the school. The department of education, state auditor, or legislative auditor may conduct financial, program, or compliance audits.

(i) The school is a school district for the purposes of tort liability under chapter 466.

Subd. 9. [ADMISSION REQUIREMENTS.] The school may limit admission to:

- (1) pupils within an age group or grade level;
- (2) people who are eligible to participate in the high school graduation incentives program under section 126.22;
- (3) pupils who have a specific affinity for the school's teaching methods, the school's learning philosophy, or a subject such as mathematics, science, fine arts, performing arts, or a foreign language; or
- (4) residents of a specific geographic area if the percentage of the population of non-Caucasian people in the geographic area is greater than the percentage of the non-Caucasian population in the congressional district in which the geographic area is located, as long as the school reflects the racial and ethnic diversity of that area.

The school shall enroll an eligible pupil who submits a timely application, unless the number of applications exceeds the capacity of a program, class, grade level, or building. In this case, pupils shall be accepted by lot.

The school may not limit admission to pupils on the basis of intellectual ability, measures of achievement or aptitude, or athletic ability.

Subd. 10. [PUPIL PERFORMANCE.] An outcome-based school must design its programs to at least meet the outcomes adopted by the state board of education. In the absence of state board requirements, the school must meet the outcomes contained in the contract with the sponsor. The achievement levels of the outcomes contained in the contract may exceed the achievement levels of any outcomes adopted by the state board.

Subd. 11. [EMPLOYMENT AND OTHER OPERATING MATTERS.] The school's board of directors shall employ and contract with necessary teachers, as defined by section 125.03, subdivision 1, who hold valid licenses to perform the particular service for which they are employed in the school. The board may employ necessary employees who are not required to hold teaching licenses to perform duties other than teaching and may contract for other services. The board may discharge teachers and nonlicensed employees.

The board of directors also shall decide matters related to the operation of the school, including budgeting, curriculum and operating procedures.

Subd. 12. [HANDICAPPED PUPILS.] The school must comply with sections 120.03 and 120.17 and rules relating to the education of handicapped pupils as though it were a school district.

Subd. 13. [LENGTH OF SCHOOL YEAR.] An outcome-based school shall provide instruction each year for at least the number of days required by section 120.101, subdivision 5. It may provide instruction throughout the year according to sections 120.59 to 120.67 or 121.585.

Subd. 14. [REPORTS.] An outcome-based school must report at least annually to its sponsor and the state board of education the information required by the sponsor or the state board. The reports are public data under chapter 13.

Subd. 15. [TRANSPORTATION.] Transportation for pupils enrolled at a school shall be provided by the district in which the school is located, according to sections 120.062, subdivision 9, and 123.39, subdivision 6, for a pupil residing in the same district in which the outcome-based school is located. Transportation may be provided by the district in which the school is located, according to sections 120.062, subdivision 9, and 123.39, subdivision 6, for a pupil residing in a different district.

Subd. 16. [LEASED SPACE.] The school may lease space from a board eligible to be a sponsor or other public or private nonprofit nonsectarian organization.

Subd. 17. [INITIAL COSTS.] A sponsor may authorize a school before the applicant has secured its space, equipment, facilities, and personnel if the applicant indicates the authority is necessary for it to raise working capital. A sponsor may not authorize a school before the state board of education has approved the authorization.

Subd. 18. [DISSEMINATE INFORMATION.] The department of education must disseminate information to the public, directly and through sponsors, on how to form and operate an outcome-based school and how to utilize the offerings of an outcome-based school.

Subd. 19. [LEAVE TO TEACH IN A SCHOOL.] If a teacher employed by a school district makes a written request for an extended leave of absence to teach at an outcome-based school, the school district must grant the leave. The school district must grant a leave for any number of years requested by the teacher, and must extend the leave at the teacher's request. The school district may require that the request for a leave or extension of leave be made up to 90 days before the teacher would otherwise have to report for duty. Except as otherwise provided in this subdivision and except for section 125.60, subdivision 6a, the leave is governed by section 125.60, including, but not limited to, reinstatement, notice of intention to return, seniority, salary, and insurance.

During a leave, the teacher may continue to aggregate benefits and credits in the teachers' retirement association account by paying both the employer and employee contributions based upon

the annual salary of the teacher for the last full pay period before the leave began. The retirement association may impose reasonable requirements to efficiently administer this subdivision.

Subd. 20. [COLLECTIVE BARGAINING.] Employees of the board of directors of the school may, if otherwise eligible, organize under chapter 179A and comply with its provisions. The board of directors of the school is a public employer, for the purposes of chapter 179A, upon formation of one or more bargaining units at the school. Bargaining units at the school are separate from any other units.

Subd. 21. [CAUSES FOR NONRENEWAL OR TERMINATION.] (a) The duration of the contract with a sponsor shall be for the term contained in the contract according to subdivision 5. The sponsor, subject to state board of education approval, may or may not renew a contract at the end of the term for any ground listed in paragraph (b). A sponsor or the state board may unilaterally terminate a contract during the term of the contract for any ground listed in paragraph (b). At least 60 days before not renewing or terminating a contract, the sponsor, or the state board if the state board is acting to terminate a contract, shall notify the board of directors of the school of the proposed action in writing. The notice shall state the grounds for the proposed action in reasonable detail and that the school's board of directors may request in writing an informal hearing before the sponsor or the state board within 14 days of receiving notice of nonrenewal or termination of the contract. Failure by the board of directors to make a written request for a hearing within the 14 day period shall be treated as acquiescence to the proposed action. Upon receiving a timely written request for a hearing, the sponsor or the state board shall give reasonable notice to the school's board of directors of the hearing date. The sponsor or the state board shall conduct an informal hearing before taking final action. The sponsor shall take final action to renew or not renew a contract by the last day of classes in the school year.

(b) A contract may be terminated or not renewed upon any of the following grounds:

(1) failure to meet the requirements for pupil performance contained in the contract;

(2) failure to meet generally accepted standards of fiscal management;

(3) for violations of law; or

(4) other good cause shown.

If a contract is terminated or not renewed, the school shall be

dissolved according to the applicable provisions of chapter 308A or 317A.

Subd. 22. [PUPIL ENROLLMENT.] If a contract is not renewed or is terminated according to subdivision 21, a pupil who attended the school, siblings of the pupil, or another pupil who resides in the same place as the pupil may enroll in the resident district or may submit an application to a nonresident district according to section 120.062 at any time. Applications and notices required by section 120.062 shall be processed and provided in a prompt manner. The application and notice deadlines in section 120.062 do not apply under these circumstances.

Subd. 23. [GENERAL AUTHORITY.] The board of directors of an outcome-based school may sue and be sued. The board may not levy taxes or issue bonds.

Subd. 24. [IMMUNITY.] The state board of education, members of the state board, a sponsor, members of the board of a sponsor in their official capacity, and employees of a sponsor are immune from civil or criminal liability with respect to all activities related to an outcome-based school they approve or sponsor. The board of directors shall obtain at least the amount of and types of insurance required by the contract, according to subdivision 5.

Sec. 4. Minnesota Statutes 1990, section 120.59, is amended to read:

120.59 [FLEXIBLE SCHOOL PURPOSE OF FLEXIBLE LEARNING YEAR PROGRAMS; PURPOSE.]

The purpose of sections 120.59 to 120.67 is to authorize school districts to evaluate, plan and employ the use of flexible school learning year programs. It is anticipated that the open selection of the type of flexible school learning year operation from a variety of alternatives will allow each district which seeks to utilize this concept to suitably fulfill the educational needs of its pupils. These alternatives shall include, but not be limited to, various 45-15 plans, four-quarter plans, quinmester plans, extended school learning year plans, flexible all-year plans, and four-day week plans.

Sec. 5. Minnesota Statutes 1990, section 120.60, is amended to read:

120.60 [DEFINITION OF FLEXIBLE LEARNING YEAR.]

“Flexible school learning year program” means any school district plan approved by the state board of education which utilizes school buildings and facilities during the entire year and/or which provides forms of optional scheduling of pupils and school personnel during

the ~~school~~ learning year in elementary and secondary schools or residential facilities for handicapped children.

Sec. 6. Minnesota Statutes 1990, section 120.61, is amended to read:

120.61 [ESTABLISHMENT OF FLEXIBLE LEARNING YEAR PROGRAM.]

The ~~school~~ board of any district, with the approval of the state board of education, may establish and operate a flexible ~~school learning~~ year program in one or more of the ~~schools day~~ or residential facilities for handicapped children within the district.

Sec. 7. Minnesota Statutes 1990, section 120.62, is amended to read:

120.62 [DIVISION OF CHILDREN INTO GROUPS.]

The ~~school~~ board of any district operating a flexible ~~school learning~~ year program in one or more of the ~~schools~~ facilities within the district shall divide the students of each selected ~~school facility~~ into as many groups as necessary to accommodate this program. Students of the same family shall be placed in the same group unless one or more of these students is enrolled in a special education class or unless the parent or guardian of these students requests that the students be placed in different groups. No ~~school~~ board shall discriminate on the basis of race, color, creed, religion, marital status, status with regard to public assistance, sex, or national origin when assigning pupils to attendance groups pursuant to this section.

Sec. 8. Minnesota Statutes 1990, section 120.63, is amended to read:

120.63 [PUBLIC HEARING BEFORE IMPLEMENTATION.]

Prior to implementing a flexible ~~school learning~~ year program in any ~~school facility~~ of the district, the ~~school~~ board shall negotiate with the teachers, principals, assistant principals, supervisory personnel and employees of the ~~school~~ to the extent required by the public employment labor relations act, and shall consult with the parents of pupils who would be affected by the change, and with the community at large. These procedures shall include at least three informational meetings for which the board has given published notice to the teachers and employees and to the parents of pupils affected.

Sec. 9. Minnesota Statutes 1990, section 120.64, is amended to read:

120.64 [ASSIGNMENT OF TEACHERS.]

Subdivision 1. In school districts where a flexible school learning year program is implemented in fewer than all of the schools facilities maintained by the school district, the board of the school district shall make every reasonable effort to assign qualified teachers who prefer the regular school a traditional schedule to schools facilities of the same level retaining the regular school a traditional schedule.

Subd. 2. A full-time classroom teacher currently employed by a school district which converts to a flexible school learning year program shall not, without the teacher's written consent, be required to teach under this program (1) more or less than the number of scheduled days or their equivalent the schools facilities of the district were maintained during the year preceding implementation of the flexible school learning year program; (2) in a period of the calendar year substantially different from the period in which the teacher taught during the year preceding implementation of the flexible learning year program.

Subd. 3. In no event shall a teacher's continuing contract rights to a position held the year preceding implementation of a flexible school learning year program or teaching experience earned during a probationary period the year preceding implementation be lost or impaired upon adoption of a flexible school learning year program. If the year of teaching preceding implementation was the end of a probationary period, the continuing contract right to a full year's contract which normally would be acquired for the next succeeding school learning year shall be acquired in the year of adoption of the flexible program.

Subd. 4. Any school district operating a flexible school learning year program shall enter into one contract governing the entire school learning year with each teacher employed in a flexible program. If individual teachers contract to teach less than a period of 175 days during a school learning year, each 175 days of employment accrued during any five-year period after the adoption of a flexible learning year program shall be deemed consecutive and shall constitute a full year's employment for purposes of establishing and retaining continuing contract rights to a full school learning year position pursuant to sections 125.12, subdivisions 3 and 4, and 125.17, subdivisions 2 and 3. A teacher who has not been discharged or advised of a refusal to renew the teacher's contract by the applicable date, as specified in section 125.12 or 125.17, in the year in which the teacher will complete the requisite number of days for securing a continuing contract shall have a continuing full school learning year contract with the district.

Subd. 5. Continuing contract rights established pursuant to this

section shall not be impaired or lost by the termination of a flexible ~~school~~ learning year program.

Sec. 10. Minnesota Statutes 1990, section 120.65, is amended to read:

120.65 [ESTABLISHMENT AND APPROVAL.]

The state board of education shall:

(1) establish standards and requirements for the qualification of ~~school~~ districts which may operate on a flexible ~~school~~ learning year basis;

(2) establish standards and evaluation criteria for flexible ~~school~~ learning year programs;

(3) prepare and distribute all necessary forms for application by any ~~school~~ district for state authorization for a flexible ~~school~~ learning year program;

(4) review the proposed flexible ~~school~~ learning year program of any qualified ~~school~~ district as to conformity to standards and the evaluation of appropriateness of priorities, workability of procedure and overall value;

(5) approve or disapprove proposed flexible ~~school~~ learning year programs.

Sec. 11. Minnesota Statutes 1990, section 120.66, is amended to read:

120.66 [POWERS AND DUTIES OF THE STATE BOARD.]

Subdivision 1. The state board of education shall:

(1) Promulgate rules necessary to the operation of sections 120.59 to 120.67;

(2) Cooperate with and provide supervision of flexible ~~school~~ learning year programs to determine compliance with the provisions of sections 120.59 to 120.67, the state board standards and qualifications, and the proposed program as submitted and approved;

(3) Provide any necessary adjustments of (a) attendance and membership computations and (b) the dates and percentages of apportionment of state aids;

(4) Consistent with the definition of "average daily membership" in section 124.17, subdivision 2, furnish the board of a district implementing a flexible school learning year program with a formula for computing average daily membership. This formula shall be computed so that tax levies to be made by the district, state aids to be received by the district, and any and all other formulas based upon average daily membership are not affected solely as a result of adopting this plan of instruction.

Subd. 2. Sections 120.59 to 120.67 shall not be construed to authorize the state board to require the establishment of a flexible school learning year program in any district in which the school board has not voted to establish, maintain, and operate such a program.

Sec. 12. Minnesota Statutes 1990, section 120.67, is amended to read:

120.67 [TERMINATION OF PROGRAM.]

The school board of any district, with the approval of the state board of education, may terminate a flexible school learning year program in one or more of the schools day or residential facilities for handicapped children within the district. This section shall not be construed to permit an exception to section 120.101 or 124.19.

Sec. 13. Minnesota Statutes 1990, section 121.11, subdivision 12, is amended to read:

Subd. 12. [ADMINISTRATIVE RULES.] The state board may adopt new rules only upon specific authority other than under this subdivision. The state board may amend or repeal any of its existing rules. Notwithstanding the provisions of section 14.05, subdivision 4, the state board may grant a variance to its rules upon application by a school district for purposes of implementing experimental programs in learning or school management that attempt to make better use of community resources or available technology. Notwithstanding any law to the contrary, and only upon receiving the agreement of the state board of teaching, the state board of education may grant a variance to its rules governing licensure of teachers for those teachers licensed by the board of teaching. The state board may grant a variance, without the agreement of the board of teaching, to its rules governing licensure of teachers for those teachers it licenses.

Sec. 14. [121.162] [RECEIPTS; FUNDS.]

Subdivision 1. [CONFERENCE AND WORKSHOP FEES.] The commissioner may establish procedures to set and collect fees to defray costs of conferences and workshops conducted by the depart-

ment. The commissioner may keep accounts as necessary within the state's accounting system for the deposit of the conference and workshop fee receipts.

Subd. 2. [APPROPRIATION.] The receipts collected under subdivision 1 are appropriated for payment of expenses relating to the workshops and conferences.

Subd. 3. [CARRY-OVER AUTHORITY.] Unobligated balances under subdivision 1 may be carried over as follows:

(1) when expenditures for which the receipts have been designated occur in the following fiscal year; or

(2) to allow retention of minor balances in accounts for conferences that are scheduled annually.

Subd. 4. [RECEIPTS AND REIMBURSEMENTS.] The commissioner may accept receipts and payments from public and nonprofit private agencies for related costs for partnership or cooperative endeavors involving education activities that are for the mutual benefit of the state, the department, and the other agency. The commissioner may keep accounts as necessary within the state's accounting system. The receipts must be deposited in the special revenue fund.

Sec. 15. Minnesota Statutes 1990, section 121.931, subdivision 6a, is amended to read:

Subd. 6a. [DATA STANDARD COMPLIANCE.] The department shall monitor and enforce compliance with the data standards. For financial accounting data and property accounting data, the department shall develop statistically based tests to determine data quality. The department shall annually test the data submitted by districts or regional centers and determine which districts submit inaccurate data. The department shall require these districts to review the data in question and, if found in error, to submit corrected data. The department shall develop standard editing checks for data submitted and shall provide these to districts and regional centers.

Sec. 16. Minnesota Statutes 1990, section 121.931, subdivision 7, is amended to read:

Subd. 7. [APPROVAL POWERS.] The state board, with the advice and assistance of the ESV computer council and the information policy office of the department of administration, shall approve or disapprove the following, according to the criteria in section 121.937 and rules adopted pursuant to subdivision 8:

(a) the creation of regional management information centers pursuant to section 121.935; and

(b) the transfer by a district of its affiliation from one regional management information center to another;

(c) the use by a district of a management information system other than the ESV-IS subsystem through the regional management information center or a state board approved alternative system management information systems pursuant to section 121.936, subdivisions 2 to 4; and

(d) annual and biennial plans and budgets submitted by regional management information centers pursuant to section 121.935, subdivisions 3 and 4.

Sec. 17. Minnesota Statutes 1990, section 121.931, subdivision 8, is amended to read:

Subd. 8. [RULES.] The state board shall adopt rules prescribing criteria for its decisions pursuant to subdivision 7. These rules shall include at least the criteria specified in section 121.937. The state board shall also adopt rules specifying the criteria and the process for determining which data and data elements are included in the data element dictionary and the annual data acquisition calendar developed pursuant to section 121.932, subdivisions 1 and subdivision 2. The state board shall adopt rules requiring regional management information centers to use cost accounting procedures which will account by district for resources consumed at the center for support of each ESV-IS subsystem and of any approved alternative financial management information systems. The adoption of the systems architecture plan and the long range plan pursuant to subdivisions 3 and 4 shall be exempt from the administrative procedure act but, to the extent authorized by law to adopt rules, the board may use the provisions of section 14.38, subdivisions 5 to 9.

Sec. 18. Minnesota Statutes 1990, section 121.932, subdivision 2, is amended to read:

Subd. 2. [DATA ACQUISITION CALENDAR.] The department of education shall maintain a current annual data acquisition calendar specifying the reports which districts are required to provide to the department, the reports which regional management information centers are required to provide must be provided to the department for their affiliated districts, and the dates when these reports are due.

Sec. 19. Minnesota Statutes 1990, section 121.932, subdivision 3, is amended to read:

Subd. 3. [EXEMPTION FROM CHAPTER 14.] Except as provided in section 121.931, subdivision 8, the ~~data element dictionary~~, annual data acquisition calendar, and the essential data elements are exempt from the administrative procedure act but, to the extent authorized by law to adopt rules, the board may use the provisions of section 14.38, subdivisions 5 to 9.

Sec. 20. Minnesota Statutes 1990, section 121.932, subdivision 5, is amended to read:

Subd. 5. [ESSENTIAL DATA.] The department shall maintain a list of essential data elements which must be recorded and stored about each pupil, licensed and nonlicensed staff member, and educational program. Each school district shall send the essential data to the ESV regional computer center to which it belongs, ~~where it shall be assembled and transmitted~~ or to the department in the form and format prescribed by the department.

Sec. 21. Minnesota Statutes 1990, section 121.933, subdivision 1, is amended to read:

Subdivision 1. [PERMITTED DELEGATIONS.] The state board of technical colleges, the state board of education, and the department may provide, by the delegation of powers and duties or by contract, for the implementation and technical support of ESV-IS and SDE-IS, including the development of applications software pursuant to section 121.931, subdivision 5, ~~by the Minnesota educational computing consortium~~, by a regional management information center or by any other appropriate provider.

Sec. 22. Minnesota Statutes 1990, section 121.934, subdivision 7, is amended to read:

Subd. 7. [ADVISORY DUTIES.] (a) Pursuant to section 121.931, the ESV computer council shall advise and assist the state board in:

(1) the development of the long-range plan and the systems architecture plan;

(2) the development of applications software for ESV-IS and SDE-IS;

(3) the approval of the creation ~~and alteration~~ of regional management information centers;

(4) the approval ~~of the use by districts~~ of alternative management information systems; and

(5) the statewide applicability of alternative management information systems proposed by districts; ~~and~~

(6) the approval of annual and biennial plans and budgets of regional management information centers; and

(7) the monitoring and enforcement of compliance with data standards.

(b) The council shall also review the data standards recommended by the council on uniform financial accounting and reporting standards and the advisory task forces on uniform standards for student reporting and personnel/payroll reporting and make recommendations to the state board concerning:

(1) the consistency of the standards for finance, property, student and personnel/payroll data with one another;

(2) the implications of the standards for implementation of ESV-IS and SDE-IS; and

(3) the consistency of the standards with the systems architecture plan and the long-range plan.

(c) Pursuant to section 121.932, the council shall advise the department in the development and operation of SDE-IS.

Sec. 23. Minnesota Statutes 1990, section 121.935, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] Any group of two or more independent, special or common school districts may with the approval of the state board pursuant to sections 121.931 and 121.937 create a regional management information center pursuant to section 123.58 or 471.59 to provide computer services to school districts. A regional management information center ~~which is not in existence on July 1, 1979~~ shall not come into existence until the first July 1 of ~~an odd-numbered year~~ after its creation is approved by the state board or until it can be accommodated by state appropriations, whichever occurs first. Each member of the center board shall be a current member of a member school board.

Sec. 24. Minnesota Statutes 1990, section 121.935, subdivision 4, is amended to read:

Subd. 4. [~~BIENNIAL ANNUAL BUDGET ESTIMATES.~~] Every regional management information center shall submit to the department by July 1 of ~~each even-numbered year~~ a ~~biennial an annual~~ budget estimate for its administrative and management computer activities. The ~~biennial~~ budget estimates shall be in a program budget format and shall include all estimated and actual revenues, expenditures, and fund balances of the center ~~for the appropriate fiscal years~~. Budget forms developed pursuant to section

16A.10 may be used for these estimates. The department of education shall assemble this budget information into a supplemental ~~biennial~~ budget summary for the statewide elementary, secondary, and vocational management information system. Copies of ~~this supplemental biennial~~ the budget summary shall be provided to the ESV computer council ~~and the department of finance~~, and shall be available to the legislature upon request.

Sec. 25. Minnesota Statutes 1990, section 121.935, subdivision 6, is amended to read:

Subd. 6. [FEES.] Regional management information centers may charge fees to affiliated districts for the cost of services provided to the district and the district's proportionate share of outstanding regional ~~debt~~ obligations, as defined in section 475.51, for computer hardware. If a district uses a state approved alternative finance system for processing its detailed transactions or transfers to another region, the district is liable for its contracted proportionate share of the outstanding regional ~~debt~~ obligation. The district is not liable for any additional outstanding regional ~~debt~~ obligations that ~~occurs~~ occur after written notice is given to transfer or use an alternative finance system. A regional management information center must not charge a district for transferring the district's summary financial data and essential data elements to the state. The regional management information center may charge the district for any service it provides to, or performs on behalf of, a district to render the data in the proper format for reporting to the state. If a district transfers to another regional center, the center shall transfer to the district within 90 days after the end of the fiscal year the district's per actual pupil share of the center's unreserved fund balance in each fund. The fund balance shall be determined as of June 30 preceding the year the district transfers.

Sec. 26. Minnesota Statutes 1990, section 121.935, is amended by adding a subdivision to read:

Subd. 8. [COMPUTER HARDWARE PURCHASE.] A regional management information center may not purchase or enter into a lease-purchase agreement for computer hardware in excess of \$100,000 without unanimous consent of the center board.

Sec. 27. Minnesota Statutes 1990, section 121.936, subdivision 1, is amended to read:

Subdivision 1. [MANDATORY PARTICIPATION.] (a) Every district shall perform financial accounting and reporting operations on a financial management accounting and reporting system utilizing multidimensional accounts and records defined in accordance with the uniform financial accounting and reporting standards adopted by the state board pursuant to sections 121.90 to 121.917.

(b) Every school district shall be affiliated with one and only one regional management information center. This affiliation shall include at least the following components:

(1) the center shall provide financial management accounting reports to the department of education for the district to the extent required by the data acquisition calendar;

(2) the district shall process every detailed financial transaction using, at the district's option, either the ESV-IS finance subsystem through the center or an alternative system approved by the state board.

Notwithstanding the foregoing, a district may process and submit its financial data to a region or the state in summary form if it operates an approved alternative system or participates in a state approved pilot test of an alternative system and is reporting directly to the state as of January 1, 1987.

(c) The provisions of this subdivision shall not be construed to prohibit a district from purchasing services other than those described in clause (b) from a center other than the center with which it is affiliated pursuant to clause (b).

Districts operating an approved alternative system may transfer their affiliation from one regional management information center to another. At least one year prior to July 1 of the year in which the transfer is to occur, the district shall give written notice to its current region of affiliation of its intent to transfer to another region. The one year notice requirement may be waived if the two regions mutually agree to the transfer.

Sec. 28. Minnesota Statutes 1990, section 121.936, subdivision 2, is amended to read:

Subd. 2. [ALTERNATIVE MANAGEMENT INFORMATION SYSTEMS.] A district may be exempted from the requirement in subdivision 1, clause (b)(2), if it ~~receives the approval of the state board to use~~ uses another financial management information system approved by the state board. A district permitted before July 1, 1980, to submit its financial transactions in summary form to a regional management information center pursuant to subdivision 1 may continue to submit transactions in the approved form without obtaining the approval of the state board pursuant to this subdivision. A district ~~may be exempted from the requirement in subdivision 1a, clause (b), if it receives the approval of the state board to use an alternative fixed assets property management information system.~~ Any district desiring to use another management information system not previously approved by the state board shall submit a detailed proposal to the state board and the ESV computer council. The detailed proposal shall include a statement of all costs to the

district, regional management information center or state for software development or operational services needed to provide data to the regional management information center pursuant to the data acquisition calendar.

Sec. 29. Minnesota Statutes 1990, section 121.936, subdivision 4, is amended to read:

Subd. 4. [ALTERNATIVE SYSTEMS; STATE BOARD.] Upon approval of the proposal by the state board the district may proceed in accordance with its approved proposal. Except as provided in section 121.931, subdivision 5, an alternative system approved pursuant to this subdivision shall be developed and purchased at the expense of the district. Notwithstanding any law to the contrary, when an alternative system has been approved by the state board, another district may use the system without state board approval. A district which has submitted a proposal for an alternative system which has been disapproved may not submit another proposal for that fiscal year, but it may submit a proposal for the subsequent fiscal year.

Sec. 30. Minnesota Statutes 1990, section 121.937, subdivision 1, is amended to read:

Subdivision 1. [APPROVAL CRITERIA.] The criteria adopted by the state board for approval of the creation of a regional management information center, ~~the transfer of a school district's affiliation from one regional management information center to another,~~ and the approval of an alternative management information system shall include:

(a) The provisions of the plans adopted by the state board pursuant to section 121.931, subdivisions 3 and 4;

(b) The cost effectiveness of the proposed center, ~~transfer~~ or alternative;

(c) The effect of the proposed center, ~~transfer~~ or alternative on existing regional management information centers; and

(d) Whichever of the following is applicable:

(i) The ability of a proposed center to comply with section 121.935, ~~or the effect of a transfer on a center's ability to comply with section 121.935,~~ or

(ii) The ability of a proposed alternative financial management information system to comply with section 121.936, subdivision 1, clauses (a) and (b) (1), or

(iii) The ability of a proposed alternative fixed assets property management information system to comply with ~~sections section~~ section 121.936, subdivision 1, clause (b)(1); and 121.936, subdivision 1a, clause (a).

Sec. 31. Minnesota Statutes 1990, section 122.41, is amended to read:

122.41 [POLICY DUTY TO MAINTAIN ELEMENTARY AND SECONDARY SCHOOLS.]

The policy of the state is to encourage organization of school districts into units of administration to afford better educational opportunities for all pupils, make possible more economical and efficient operation of the schools, and insure more equitable distribution of public school revenue. To this end all area of the state shall be included in an independent or special school district maintaining Each school district shall maintain classified elementary and secondary schools, grades 1 through 12, unless a the district is exempt according to section 122.34 or 122.355, has made an agreement with another district or districts as provided in sections 122.535, 122.541, or sections 122.241 to 122.248, or 122.93, subdivision 8, or has received a grant under sections 124.492 to 124.495. A district that has an agreement according to sections 122.241 to 122.248 or 122.541 shall operate a school with the number of grades required by those sections. A district that has an agreement according to section 122.535 or 122.93, subdivision 8, or has received a grant under sections 124.492 to 124.495 shall operate a school for the grades not included in the agreement, but not fewer than three grades.

Sec. 32. Minnesota Statutes 1990, section 122.541, subdivision 7, is amended to read:

Subd. 7. [MEETING LOCATION.] Notwithstanding any law to the contrary, school boards that have an agreement may hold a valid joint meeting at any location that would be permissible for one of the school boards participating in the meeting. A school board that has an agreement may hold a meeting in any district that is a party to the agreement. The school board shall comply with section 471.705 and any other law applicable to a meeting of a school board.

Sec. 33. [122.895] [EMPLOYEES OF COOPERATIVE DISTRICTS UPON DISSOLUTION OR WITHDRAWAL.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, "teacher" means a teacher as defined in section 125.12, subdivision 1, who is employed by a district or center listed in subdivision 2, except that it does not include a superintendent. "Cooperative" means any district or center to which this section applies.

Subd. 2. [APPLICABILITY.] This section applies to:

(1) an education district organized according to sections 122.91 to 122.95;

(2) a cooperative vocational center organized according to section 123.351;

(3) a joint powers district or board organized according to section 471.59 which employs teachers to provide instruction;

(4) a joint vocational technical district organized according to sections 136C.60 to 136C.69;

(5) an intermediate district organized according to chapter 136D; and

(6) an educational cooperative service unit which employs teachers to provide instruction.

Subd. 3. [NOTIFICATION OF TEACHERS.] In any year in which a cooperative dissolves or a member withdraws from a cooperative, the governing board of a cooperative shall provide all teachers employed by the cooperative written notification by March 10 of:

(1) the dissolution of the cooperative and the effective date of dissolution; or

(2) the withdrawal of a member of the cooperative and the effective date of withdrawal.

Subd. 4. [RIGHTS OF A TEACHER WITH A CONTINUING CONTRACT IN A MEMBER DISTRICT UPON DISSOLUTION.] (a) This subdivision applies to a teacher previously employed in a member district who:

(1) had a continuing contract with that member district;

(2) has been continuously employed immediately after leaving that member district by one or more cooperatives that provided instruction to pupils enrolled in that member district; and

(3) is either a probationary teacher or has a continuing contract with the cooperative that is dissolving.

(b) A teacher may elect to resume the teacher's continuing contract with the member district by which the teacher was previously employed by filing a written notice of the election with the member school board on or before March 20. Failure by a teacher to file a written notice by March 20 of the year the teacher receives a

notice according to subdivision 3 constitutes a waiver of the teacher's rights under this subdivision.

The member district shall make reasonable realignments of positions to accommodate the seniority rights of a teacher electing to resume continuing contract rights in the member district according to this subdivision.

Upon returning the teacher shall receive credit for:

(1) all years of continuous service under contract with the cooperative and the member district for all purposes relating to seniority, compensation, and employment benefits; and

(2) the teacher's current educational attainment on the member district's salary schedule.

(c) A teacher who does not elect to return to the member district according to this subdivision may exercise rights under subdivision 5.

Subd. 5. [RIGHTS OF OTHER TEACHERS UPON DISSOLUTION.] (a) This subdivision applies to a teacher who:

(1) has a continuing contract with the cooperative; and

(2) either did not have a continuing contract with any member district or does not return to a member district according to the procedures set forth in subdivision 4, paragraph (b).

(b) By May 10 of the school year in which the cooperative provides the notice required by subdivision 3, clause (1), the cooperative shall provide to each teacher described in subdivision 4 and this subdivision a written notice of available teaching positions in any member district to which the cooperative was providing services at the time of dissolution. Available teaching positions are all teaching positions that, during the school year following dissolution:

(1) are positions for which the teacher is licensed; and

(2) are not assigned to a continuing contract teacher employed by a member school district after any reasonable realignments which may be necessary under the applicable provisions of section 125.12, subdivision 6a or 6b, to accommodate the seniority rights of teachers employed by the member district.

(c) On or before June 1 of the school year in which the cooperative provides the notice required by subdivision 3, clause (1), any teacher wishing to do so must file with the school board a written notice of the teacher's intention to exercise the teacher's rights to an avail-

able teaching position. Available teaching positions shall be offered to teachers in order of their seniority within the dissolved cooperative.

(d) Paragraph (e) applies to:

(1) a district that was a member of a dissolved cooperative; or

(2) any other district that, except as a result of open enrollment according to section 120.062, provides essentially the same instruction provided by the dissolved cooperative to pupils enrolled in a former member district.

(e) For five years following dissolution of a cooperative, a district to which this subdivision applies may not appoint a new teacher or assign a probationary or provisionally licensed teacher to any position requiring licensure in a field in which the dissolved cooperative provided instruction until the following conditions are met:

(1) a district to which this subdivision applies has provided each teacher formerly employed by the dissolved cooperative, who holds the requisite license, written notice of the position; and

(2) no teacher holding the requisite license has filed a written request to be appointed to the position with the school board within 30 days of receiving the notice.

If no teacher files a request according to clause (2), the district may fill the position as it sees fit. During any part of the school year in which dissolution occurs and the first school year following dissolution, a teacher may file a request for an appointment according to this paragraph regardless of prior contractual commitments with other member districts. Available teaching positions shall be offered to teachers in order of their seniority on a combined seniority list of the teachers employed by the cooperative and the appointing district.

(f) A teacher appointed according to this subdivision is not required to serve a probationary period. The teacher shall receive credit on the appointing district's salary schedule for the teacher's years of continuous service under contract with the cooperative and the member district and the teacher's educational attainment at the time of appointment or shall receive a comparable salary, whichever is less. The teacher shall receive credit for accumulations of sick leave and rights to severance benefits as if the teacher had been employed by the member district during the teacher's years of employment by the cooperative.

Subd. 6. [RIGHTS OF A TEACHER WITH A CONTINUING

CONTRACT IN A MEMBER DISTRICT UPON WITHDRAWAL OF THE DISTRICT.] (a) This subdivision applies to a teacher previously employed by a member district who:

(1) had a continuing contract with the member district which withdraws from a cooperative;

(2) has been continuously employed immediately after leaving that member district by one or more cooperatives that provided instruction to pupils enrolled in that member district; and

(3) is either a probationary teacher or has a continuing contract with the cooperative from which the member district is withdrawing.

(b) A teacher may elect to resume the teacher's continuing contract with the withdrawing district by which the teacher was previously employed by filing a written notice of the election with the withdrawing school board on or before March 20. Failure by a teacher to file written notice by March 20 of the year the teacher receives a notice according to subdivision 3 constitutes a waiver of a teacher's rights under this subdivision.

The member district shall make reasonable realignments of positions to accommodate the seniority rights of a teacher electing to resume continuing contract rights in the member district according to this subdivision.

Upon returning, the teacher shall receive credit for:

(1) all years of continuous service under contract with the cooperative and the member district for all purposes relating to seniority, compensation, and employment benefits; and

(2) the teacher's current educational attainment on the member district's salary schedule.

Subd. 7. [RIGHTS OF A TEACHER PLACED ON UNREQUESTED LEAVE UPON WITHDRAWAL.] (a) This subdivision applies to a teacher who is placed on unrequested leave of absence, according to section 125.12, subdivision 6a or 6b, in the year in which the cooperative provides the notice required by subdivision 3, clause (2), by a cooperative from which a member district is withdrawing.

This subdivision applies to a district that, except as a result of open enrollment according to section 120.062, provides essentially the same instruction provided by the cooperative to pupils enrolled in the withdrawing district.

(b) A teacher shall be appointed by a district to which this subdivision applies to an available teaching position which:

(1) is in a field of licensure in which pupils enrolled in the withdrawing district received instruction from the cooperative; and

(2) is within the teacher's field of licensure.

For the purpose of this paragraph, an available teaching position means any position that is vacant or would otherwise be occupied by a probationary or provisionally licensed teacher.

(c) A board may not appoint a new teacher to an available teaching position unless no teacher holding the requisite license on unrequested leave from the cooperative has filed a written request for appointment. The request shall be filed with the board of the appointing district within 30 days of receiving written notice from the appointing board that it has an available teaching position. If no teacher holding the requisite license files a request according to this paragraph, the district may fill the position as it sees fit. Available teaching positions shall be offered to teachers in order of their seniority on a combined seniority list of the teachers employed by the cooperative and the withdrawing member district.

(d) A teacher appointed according to this subdivision is not required to serve a probationary period. The teacher shall receive credit on the appointing district's salary schedule for the teacher's years of continuous service under contract with the cooperative and the member district and the teacher's educational attainment at the time of appointment or shall receive a comparable salary, whichever is less. The teacher shall receive credit for accumulations of sick leave and rights to severance benefits as if the teacher had been employed by the member district during the teacher's years of employment by the cooperative.

Subd. 8. [NONLICENSED EMPLOYEES UPON DISSOLUTION.] A nonlicensed employee who is terminated by a cooperative that dissolves shall be appointed by a district that is a member of the dissolved cooperative to a position that is created within 12 months of the dissolution of the cooperative and is created as a result of the dissolution of the cooperative. A position shall be offered to a nonlicensed employee, who fulfills the qualifications for that position, in order of the employee's seniority within the dissolved cooperative.

Subd. 9. [NONLICENSED EMPLOYEES UPON WITHDRAWAL.] A nonlicensed employee of a cooperative whose position is discontinued as a result of the withdrawal of a member district from the cooperative shall be appointed by the withdrawing member district to a position that is created within 12 months of the withdrawal and is created as a result of the withdrawal of the

member district. A position shall be offered to a nonlicensed employee, who fulfills the qualifications for that position, in order of the employee's seniority within the cooperative from which a member district withdraws.

Sec. 34. Minnesota Statutes 1990, section 123.34, subdivision 9, is amended to read:

Subd. 9. [SUPERINTENDENT.] All districts maintaining a classified secondary school shall employ a superintendent who shall be an ex officio nonvoting member of the school board. The authority for selection and employment of a superintendent shall be vested in the school board in all cases. An individual employed by a school board as a superintendent shall have an initial employment contract for a period of time no longer than ~~four~~ three years from the date of employment. ~~The initial employment contract must terminate on June 30 of an odd-numbered year. Any subsequent employment contract between a school board and the same individual to serve as a superintendent may not extend beyond June 30 of the next odd-numbered year. Any subsequent employment contract must not exceed a period of three years.~~ A school board, at its discretion, may or may not renew, ~~at its discretion,~~ an ~~initial employment contract or a subsequent employment contract.~~ A school board may terminate a superintendent during the term of an employment contract for any of the grounds specified in section 125.12, subdivision 6 or 8. A superintendent shall not rely upon an employment contract with a school board to assert any other continuing contract rights in the position of superintendent under section 125.12. Notwithstanding the provisions of sections 122.532, 122.541, 125.12, subdivision 6a or 6b, or any other law to the contrary, no individual shall have a right to employment as a superintendent based on ~~seniority or~~ order of employment in any district. If two or more school districts enter into an agreement for the purchase or sharing of the services of a superintendent, the contracting districts have the absolute right to select one of the individuals employed to serve as superintendent in one of the contracting districts and no individual has a right to employment as the superintendent to provide all or part of the services based on ~~seniority or~~ order of employment in a contracting district. ~~An individual who holds a position as superintendent in one of the contracting districts, but is not selected to perform the services, may be placed on unrequested leave of absence or may be reassigned to another available position in the district for which the individual is licensed.~~ The superintendent of a district shall perform the following:

(1) visit and supervise the schools in the district, report and make recommendations about their condition when advisable or on request by the board;

(2) recommend to the board employment and dismissal of teachers;

(3) superintend school grading practices and examinations for promotions;

(4) make reports required by the commissioner of education; and

(5) perform other duties prescribed by the board.

Sec. 35. Minnesota Statutes 1990, section 123.34, subdivision 10, is amended to read:

Subd. 10. [PRINCIPALS.] Each public school building, as defined by section 120.05, subdivision 2, clauses (1), (2) and (3), in an independent school district shall be under the supervision of a principal who is assigned to that responsibility by the board of education in that school district upon the recommendation of the superintendent of schools of that school district. If pupils in kindergarten through grade 12 attend school in one building, one principal may supervise the building.

Each principal assigned the responsibility for the supervision of a school building shall hold a valid certification license in the assigned position of supervision and administration as established by the rules of the state board of education.

The principal shall provide administrative, supervisory, and instructional leadership services, under the supervision of the superintendent of schools of the school district and in accordance with the policies, rules, and regulations of the board of education, for the planning, management, operation, and evaluation of the education program of the building or buildings to which the principal is assigned.

Sec. 36. Minnesota Statutes 1990, section 123.35, is amended by adding a subdivision to read:

Subd. 20. [LEGAL COUNSEL; REIMBURSEMENT.] If reimbursement is requested by a school district employee, the board may, after consulting with its legal counsel, reimburse the employee for any costs and reasonable attorney fees incurred by the person to defend criminal charges brought against the person arising out of the performance of duties for the school district. A board member who is a witness or an alleged victim in the case may not vote on the reimbursement. If a quorum of the board is disqualified from voting on the reimbursement, the reimbursement shall be approved by a judge of the district court.

Sec. 37. Minnesota Statutes 1990, section 123.3514, subdivision 4, is amended to read:

Subd. 4. [AUTHORIZATION; NOTIFICATION.] Notwithstanding

any other law to the contrary, an 11th or 12th grade pupil, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may apply to an eligible institution, as defined in subdivision 3, to enroll in nonsectarian courses offered at that post-secondary institution. If an institution accepts a secondary pupil for enrollment under this section, the institution shall send written notice to the pupil, the pupil's school district, and the commissioner of education within ten days of acceptance. The notice shall indicate the course and hours of enrollment of that pupil. If the pupil enrolls in a course for post-secondary credit, the institution shall notify the pupil about payment in the customary manner used by the institution.

Sec. 38. Minnesota Statutes 1990, section 123.3514, subdivision 6, is amended to read:

Subd. 6. [FINANCIAL ARRANGEMENTS.] At the end of each school year, the department of education shall pay the tuition reimbursement amount within 30 days to the post-secondary institutions for courses that were taken for secondary credit. The amount of tuition reimbursement shall equal the lesser of:

(1) the actual costs of tuition, textbooks, materials, and fees directly related to the course taken by the secondary pupil; or

(2) an amount equal to the difference between the basic revenue of the district for that pupil and an amount computed by multiplying the basic revenue of the district for that pupil by a ratio. The ratio to be used is the total number of hours that the pupil is enrolled in courses in the secondary school during the regular school year over the total number of secondary instructional hours per pupil in that pupil's resident district.

The amount paid for each pupil shall be subtracted from the general education aid paid to the pupil's district of attendance. If the amount to be subtracted is greater than the amount of general education aid due the district, the excess reduction shall be made from other state aids due to the district. For fiscal year 1992, for a pupil attending a post-secondary institution under this section, whether the pupil is enrolled in the post-secondary institution for secondary credit, post-secondary credit, or a combination of both, a school district shall receive aid equal to the sum of:

(1) 12 percent of the formula allowance, according to section 124.22, subdivision 2, times 1.3; plus

(2) for a pupil who attends a secondary school part time, the formula allowance, according to section 124.22, subdivision 2, times 1.3, times the ratio of the total number of hours the pupil is in membership for courses taken by the pupil for credit, to 1020 hours.

If a pupil is enrolled in a course for post-secondary credit, the school district shall include the pupil in the average daily membership only for the portion of time during which the pupil is enrolled in courses at the secondary school and enrolled in courses at a post-secondary institution for secondary credit.

The department shall not pay any tuition reimbursement or other costs of a course taken for post-secondary credit only.

For fiscal year 1993 and thereafter, a post-secondary institution shall be reimbursed according to the following:

(1) for an institution granting quarter credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the formula allowance, multiplied by 1.3, and divided by 45; or

(2) for an institution granting semester credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the general revenue formula allowance, multiplied by 1.3, and divided by 30.

For fiscal year 1993 and thereafter, a school district shall receive:

(1) for a pupil who is not enrolled in classes at a secondary school, 12 percent of the formula allowance, according to section 124.22, subdivision 2, times 1.3; or

(2) for a pupil who attends a secondary school part time, 88 percent of the product of the formula allowance, according to section 124.22, subdivision 2, times 1.3, times the ratio of the total number of hours the pupil is in membership for courses taken by the pupil for credit, to 1020 hours.

Sec. 39. Minnesota Statutes 1990, section 123.3514, subdivision 6b, is amended to read:

Subd. 6b. [FINANCIAL ARRANGEMENTS, PUPILS AGE 21 OR OVER.] At the end of each school year, the department of education shall pay the tuition reimbursement amount to the post-secondary institutions for courses taken to fulfill high school graduation requirements by pupils eligible for adult high school graduation aid. The amount of the tuition reimbursement equals the lesser of:

(1) the actual costs of tuition, textbooks, materials, and fees directly related to the course or program taken by the pupil; or

(2) an amount equal to the difference between the adult high school graduation aid attributable to that pupil and an amount computed by multiplying the adult high school graduation aid by the ratio of the total number of hours that the pupil is enrolled in

courses in the secondary school during the regular school year over the total number of secondary instructional hours per pupil in that pupil's resident district.

The amount of tuition reimbursement paid for each pupil shall be subtracted from the adult high school graduation aid paid to the pupil's district of attendance. For fiscal year 1992, for a pupil attending a post-secondary institution under this section, whether the pupil is enrolled in the post-secondary institution for secondary credit, post-secondary credit, or a combination of both, a school district shall receive aid equal to the sum of:

(1) 12 percent of the formula allowance, according to section 124.22, subdivision 2, times 1.3; plus

(2) for a pupil who attends a secondary school part time, the adult high school graduation aid times 1.3, times the ratio of the total number of hours the pupil is in membership for courses taken by the pupil for credit, to 1020 hours.

If a pupil is enrolled in a course for post-secondary credit, the school district shall include the pupil in average daily membership as computed under section 120.17, subdivision 1, only for the portion of time during which the pupil is enrolled in courses at the secondary school and enrolled in courses at the post-secondary institution for secondary credit.

The department must not pay any tuition reimbursement or other costs of a course taken for post-secondary credit only.

For fiscal year 1993 and thereafter, a post-secondary institution shall be reimbursed according to the following:

(1) for an institution granting quarter credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the formula allowance, multiplied by 1.3, and divided by 45; or

(2) for an institution granting semester credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the general revenue formula allowance multiplied by 1.3, and divided by 30.

For fiscal year 1993 and thereafter, a school district shall receive:

(1) for a pupil who is not enrolled in classes at a secondary program, 12 percent of the adult high school graduation aid, times 1.3; or

(2) for a pupil who attends classes at a secondary program part time, 88 percent of the product of the adult high school graduation

aid, times 1.3, times the ratio of the total number of hours the pupil is in membership for courses taken by the pupil for credit to 1020 hours.

Sec. 40. Minnesota Statutes 1990, section 123.38, subdivision 2b, is amended to read:

Subd. 2b. (a) The board may take charge of and control all extracurricular activities of the teachers and children of the public schools in the district. Extracurricular activities shall mean all direct and personal services for public school pupils for their enjoyment that are managed and operated under the guidance of an adult or staff member.

(b) Extracurricular activities have all of the following characteristics:

(a) (1) they are not offered for school credit nor required for graduation;

(b) (2) they are generally conducted outside school hours, or if partly during school hours, at times agreed by the participants, and approved by school authorities;

(c) (3) the content of the activities is determined primarily by the pupil participants under the guidance of a staff member or other adult.

(c) If the board does not take charge of and control extracurricular activities, these activities shall be self-sustaining with all expenses, except direct salary costs and indirect costs of the use of school facilities, met by dues, admissions, or other student fundraising events. The general fund or the technical colleges fund, if applicable, shall reflect only those salaries directly related to and readily identified with the activity and paid by public funds. Other revenues and expenditures for extra curricular activities must be recorded according to the "Manual of Instruction for Uniform Student Activities Accounting for Minnesota School Districts and Area Vocational-Technical Colleges." Extracurricular activities not under board control must have an annual financial audit and must also be audited annually for compliance with this section.

(d) If the board takes charge of and controls extracurricular activities, any or all costs of these activities may be provided from school revenues, and all revenues and expenditures for these activities shall be recorded in the same manner as other revenues and expenditures of the district.

(e) If the board takes charge of and controls extracurricular activities, no such activity shall be participated in by the teachers or

pupils in the district, nor shall the school name or any allied name be used in connection therewith, except by consent and direction of the board.

Sec. 41. Minnesota Statutes 1990, section 123.744, is amended to read:

123.744 [SCHOOL BOARDS; STUDENT MEMBERS.]

The board of directors of any school district ~~may~~ shall appoint a student to serve as an advisory member to the school board or shall establish a youth advisory council to make formal and informal recommendations to the school board. If a student advisory member is appointed to the board, the student shall serve as an advisory member to the board only while attending school in the district, and shall not receive any compensation or be reimbursed for any expenses incurred while serving in this capacity.

A student advisory member ~~may~~ shall be permitted to attend school board meetings, to be furnished with agenda materials, to introduce items for inclusion in the agenda, and to participate in discussion but shall not be entitled to vote.

If a youth advisory council is established, the board shall meet with council members at least three times per year to discuss education matters and board actions affecting the district student population.

Neither the student member nor youth advisory council members may participate in any closed discussion concerning the negotiation or implementation of a collective bargaining agreement and must not be present at a closed meeting permitted under section 471.705, subdivision 1a or 1d.

Sec. 42. Minnesota Statutes 1990, section 124.17, is amended by adding a subdivision to read:

Subd. 1c. [FOREIGN EXCHANGE PUPILS.] Notwithstanding section 123.35, subdivision 8c, or any other law to the contrary, a foreign exchange pupil enrolled in a district under a cultural exchange program may be counted as a resident pupil for the purposes of chapters 124 and 124A and section 275.125 even if the pupil has graduated from high school or the equivalent.

Sec. 43. [124.248] [REVENUE FOR AN OUTCOME-BASED SCHOOL.]

Subdivision 1. [GENERAL EDUCATION REVENUE.] General education revenue shall be paid to an outcome-based school as though it were a school district. The general education revenue for

each pupil unit is the state average general education revenue per pupil unit, calculated without compensatory revenue, plus compensatory revenue as though the school were a school district.

Subd. 2. [CAPITAL EXPENDITURE EQUIPMENT REVENUE.] Capital expenditure equipment aid shall be paid to an outcome-based school according to section 124.245, subdivision 6, as though it were a school district. Capital expenditure equipment aid shall equal capital expenditure equipment revenue. Notwithstanding section 124.244, subdivision 4, an outcome-based school may use the revenue for any purpose related to the school.

Subd. 3. [SPECIAL EDUCATION AID.] Special education aid shall be paid to an outcome-based school according to section 124.32 as though it were a school district. The school may charge tuition to the district of residence as provided in section 120.17, subdivision 4. The district of residence shall levy as provided in section 275.125, subdivision 8c, as though it were participating in a cooperative.

Subd. 4. [OTHER AID, GRANTS, REVENUE.] An outcome-based school is eligible to receive other aids, grants, and revenue according to chapters 120 to 129, as though it were a school district. However, it may not receive aid, a grant, or revenue if a levy is required to obtain the money, except as otherwise provided in this section. Federal aid received by the state must be paid to the school, if it qualifies for the aid as though it were a school district.

Subd. 5. [USE OF STATE MONEY.] Money received from the state may not be used to purchase land or buildings. The school may own land and buildings if obtained through nonstate sources.

Sec. 44. Minnesota Statutes 1990, section 125.09, subdivision 4, is amended to read:

Subd. 4. [MANDATORY REPORTING.] A school board shall report to the board of teaching, the state board of education, or the state board of technical colleges, whichever has jurisdiction over the teacher's license, when its teacher is discharged or resigns from employment after a charge is filed with the school board under section 125.17, subdivisions 4, clauses (1), (2), and (3), and 5, or after charges are filed that are ground for discharge under section 125.12, subdivision 8, clauses (a), (b), (c), (d), and (e), or when a teacher is suspended or resigns while an investigation is pending under section 125.12, subdivision 8, clauses (a), (b), (c), (d), and (e); 125.17, subdivisions 4, clauses (1), (2), and (3), and 5; or 626.556. The report must be made to the board within ten days after the discharge, suspension, or resignation has occurred. The board to which the report is made shall investigate the report for violation of subdivision 1 and the reporting school board shall cooperate in the investigation. Notwithstanding any provision in chapter 13 or any law to the contrary, upon written request from the licensing board having

jurisdiction over the teacher's license, a school board or school superintendent shall provide the licensing board with information about the teacher from the school district's files, any termination or disciplinary proceeding, any settlement or compromise, or any investigative file. Upon written request from the appropriate licensing board, a school board or school superintendent may, at the discretion of the school board or school superintendent, solicit the written consent of a student and the student's parent to provide the licensing board with information that may aid the licensing board in its investigation and license proceedings. The licensing board's request need not identify a student or parent by name. The consent of the student and the student's parent must meet the requirements of chapter 13 and Code of Federal Regulations, title 34, section 99.30. The licensing board may provide a consent form to the school district. Any data transmitted to any board under this section shall be private data under section 13.02, subdivision 12, notwithstanding any other classification of the data when it was in the possession of any other agency.

The board to which a report is made shall transmit to the attorney general's office any record or data it receives under this subdivision for the sole purpose of having the attorney general's office assist that board in its investigation. When the attorney general's office has informed an employee of the appropriate licensing board in writing that grounds exist to suspend or revoke a teacher's license to teach, that licensing board must consider suspending or revoking or decline to suspend or revoke the teacher's license within 45 days of receiving a stipulation executed by the teacher under investigation or a recommendation from an administrative law judge that disciplinary action be taken.

Sec. 45. Minnesota Statutes 1990, section 125.12, subdivision 3, is amended to read:

Subd. 3. [PROBATIONARY PERIOD.] The first three consecutive years of a teacher's first teaching experience in Minnesota in a single school district shall be deemed to be a probationary period of employment, and after completion thereof, the probationary period in each school district in which the teacher is thereafter employed shall be one year. The school site management team, or the school board if there is no school site management team, shall adopt a plan for written evaluation of teachers during the probationary period according to subdivision 3a or 3b. Effective July 1, 1988, Evaluation by the peer review committee charged with evaluating probationary teachers under subdivision 3a shall occur at least three times each year for a teacher performing services on 120 or more school days, at least two times each year for a teacher performing services on 60 to 119 school days, and at least one time each year for a teacher performing services on fewer than 60 school days. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent

from school shall not be included in determining the number of school days on which a teacher performs services. During the probationary period any annual contract with any teacher may or may not be renewed as the school board, after consulting with the peer review committee charged with evaluating probationary teachers under subdivision 3a, shall see fit; provided, however, that the school board shall give any such teacher whose contract it declines to renew for the following school year written notice to that effect before June 1. If the teacher requests reasons for any nonrenewal of a teaching contract, the school board shall give the teacher its reason in writing, including a statement that appropriate supervision was furnished describing the nature and the extent of such supervision furnished the teacher during the employment by the board, within ten days after receiving such request. The school board may, after a hearing held upon due notice, discharge a teacher during the probationary period for cause, effective immediately, under section 123.35, subdivision 5.

Sec. 46. Minnesota Statutes 1990, section 125.12, is amended by adding a subdivision to read:

Subd. 3a. [PEER REVIEW FOR PROBATIONARY TEACHERS.] A school must have a peer review committee charged with evaluating each probationary teacher at least three times each year for a period of three years as required under subdivision 3. The purpose of the evaluation procedure is to improve the probationary teacher's instructional effectiveness. The school site management team, or the school board if there is no school site management team, after consulting with a representative of the peer review committee and the school principal or other person having general control and supervision of the school, shall adopt a procedure for written evaluations of probationary teachers. The evaluation procedure must be structured as a continuing and cooperative process between the probationary teacher, the peer review committee, and the school principal or other person having general control and supervision of the school. The school site management team, or the school board if there is no school site management team, shall make available a written description of the evaluation procedure, including evaluation policies and criteria, to each newly hired teacher and to each probationary teacher. As part of the evaluation procedure, the school and the school district shall provide the necessary resources to assist a probationary teacher to improve those areas of instruction identified by the teacher, the peer review committee, or the principal or other person having general control and supervision of the school as in need of improvement. The school and the school district also shall provide to each probationary teacher opportunities for professional growth experiences, including in-service training.

Sec. 47. Minnesota Statutes 1990, section 125.12, is amended by adding a subdivision to read:

Subd. 3b. [APPLICABILITY.] Subdivision 3a does not apply to a school district that has formally adopted a probationary teacher review process that has been mutually agreed upon by the exclusive representative of the teachers in the district and the school board.

Sec. 48. Minnesota Statutes 1990, section 125.12, is amended by adding a subdivision to read:

Subd. 4a. [PEER REVIEW FOR CONTINUING CONTRACT TEACHERS.] A school must have a peer review committee for continuing contract teachers to provide the teachers with the opportunity for positive interaction and professional growth to help students learn more effectively. The peer review committee must not judge teacher competency nor determine whether to suspend or terminate a teacher. Members of the peer review committee must be selected by the school site management team, or by the exclusive bargaining representative if there is no school site management team. The selecting body shall establish an equitable process for selecting members of the peer review committee and an orderly cycle for rotating members. Only teachers with continuing contracts shall serve as members of the peer review committee. The peer review committee shall review once each school year each teacher with a continuing contract performing services on 120 or more school days. The review process must allow experienced teachers to improve instructional effectiveness through professional learning and development opportunities that include exchanging and internalizing ideas about the components of competent teaching. An in-service training session must be held at the beginning of each school year to train members of the peer review committee to facilitate teachers' reflections about the assumptions, beliefs, and practices underlying teaching. The selecting body shall design the training sessions and give the members of the peer review committee the necessary time off from their classroom responsibilities to perform the duties listed in this subdivision.

Sec. 49. [125.135] |STAFF EXCHANGE PROGRAM. |

Subdivision 1. [ESTABLISHMENT.] A staff exchange program is established to allow local school districts to arrange temporary and voluntary exchanges among members of their kindergarten through grade 12 instructional and administrative staffs. The purpose of the program is to provide participants with an understanding of the educational concerns of other local school districts, including concerns of class organization, curriculum development, instructional practices, and characteristics of the student population.

The educational needs and interests of the host school district and the training, experience, and interests of the participants must determine the assignments of the participants in the host district. Participants may teach courses, provide counseling and tutorial services, work with teachers to better prepare students for future

educational experiences, serve an underserved population in the district, or assist with administrative functions. The assignments participants perform for the host district must be comparable to the assignments the participants perform for the district employing the participants. Participation in the exchange program need not be limited to one school or one school district and may involve other education organizations including education districts and ECSUs.

Subd. 2. [PROGRAM REQUIREMENTS.] All staff exchanges made under this section are subject to the requirements in this subdivision.

(a) A school district employing a participating staff member must not adversely affect the staff member's salary, seniority, or other employment benefits, or otherwise penalize the staff member for participating in the program.

(b) Upon completion or termination of an exchange, a school district employing a participating staff member must permit the staff member to return to the same assignment the staff member performed in the district before the exchange, if available, or, if not, a similar assignment.

(c) A school district employing a participating staff member must continue to provide the staff member's salary and other employment benefits during the period of the exchange.

(d) A participant must be licensed and tenured.

(e) Participation in the program must be voluntary.

(f) The length of participation in the program must be no less than one-half of a school year and no more than one school year, and any premature termination of participation must be upon the mutual agreement of the participant and the participating school district.

(g) A participant is responsible for transportation to and from the host school district.

(h) This subdivision does not abrogate or change rights of staff members participating in the staff exchange program or the terms of an agreement between the exclusive representative of the school district employees and the school district.

(i) Participating school districts may enter into supplementary agreements with the exclusive representative of the school district employees to accomplish the purpose of this section.

Subd. 3. [APPLICATION PROCEDURES.] The school board of a school district must decide by resolution to participate in the staff

exchange program. A staff member wishing to participate in the exchange program must submit an application to the school district employing the staff member. The district must, in a timely and appropriate manner, provide to the exclusive bargaining representatives of teachers in the state the number and names of prospective participants within the district, the assignments available within the district, and the length of time for each exchange. The exclusive bargaining representatives are requested to cooperatively participate in the coordination of exchanges to facilitate exchanges across all geographical regions of the state. Prospective participants must contact teachers and districts with whom they are interested in making an exchange. The prospective participants must make all arrangements to accomplish their exchange and the superintendents of the participating districts must approve the arrangements for the exchange in writing.

Sec. 50. |125.138| [FACULTY EXCHANGE PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] A program of faculty exchange is established to allow school districts and post-secondary institutions to arrange temporary exchanges between members of their instructional staffs. These arrangements must be made on a voluntary cooperative basis between a school district and post-secondary institution, or between post-secondary institutions. Exchanges between post-secondary institutions may occur among campuses in the same system or in different systems.

Subd. 2. [USES OF PROGRAM.] Each participating school district and post-secondary institution may determine the way in which the instructional staff member's time is to be used, but it must be in a way that promotes understanding of the needs of each educational system or institution. For example, a public school teacher may teach courses, provide counseling and tutorial services, assist with the preparation of future teachers, or take professional development courses. A post-secondary teacher might teach advanced placement courses or other classes to aid an underserved population at the school district, counsel students about future educational plans, or work with teachers to better prepare students for post-secondary education. Participation need not be limited to one school or institution and may involve other groups including educational cooperative service units.

Subd. 3. [SALARIES; BENEFITS; CERTIFICATION.] Exchanges made under the program must not have a negative effect on participants' salaries, seniority, or other benefits. Notwithstanding sections 123.35, subdivision 6, and 125.04, a member of the instructional staff of a post-secondary institution may teach in an elementary or secondary school or perform a service, agreed upon according to this section, for which a license would otherwise be required without holding the applicable license. In addition, a licensed teacher employed by a school district may teach or perform a

service, agreed upon according to this section, at a post-secondary institution without meeting the applicable qualifications of the post-secondary institution. A school district is not subject to section 124.19, subdivision 3, as a result of entering into an agreement according to this section that enables a post-secondary instructional staff member to teach or provide services in the district. All arrangements and details regarding the exchange must be mutually agreed to by each participating school district and post-secondary institution before implementation.

Sec. 51. [125.1385] [EXCHANGES BETWEEN EDUCATION FACULTY.]

Subdivision 1. [AUTHORITY; LIMITS.] The state university board and the board of regents of the University of Minnesota may develop programs to exchange faculty between colleges or schools of education and school districts, subject to section 125.138.

The programs must be used to assist in improving teacher education by involving current teachers in education courses and placing post-secondary faculty in elementary and secondary classrooms. Programs must include exchanges that extend beyond the immediate service area of the institution to address the needs of different types of schools, students, and teachers.

Subd. 2. [COMPENSATION.] State money for faculty exchange programs is to compensate for expenses that are unavoidable and beyond the normal living expenses exchange participants would incur if they were not involved in this exchange. The state university board, the board of regents, or the University of Minnesota, and their respective campuses, in conjunction with the participating school districts, must control costs for all participants as much as possible, through means such as arranging housing exchanges, providing campus housing, and providing university, state, or school district cars for transportation. The boards and campuses may seek other sources of funding to supplement these appropriations, if necessary.

Sec. 52. Minnesota Statutes 1990, section 125.17, subdivision 2, is amended to read:

Subd. 2. [PROBATIONARY PERIOD; DISCHARGE OR DEMOTION.] All teachers in the public schools in cities of the first class during the first three years of consecutive employment shall be deemed to be in a probationary period of employment during which period any annual contract with any teacher may, or may not, be renewed as the school board, after consulting with the peer review committee charged with evaluating the probationary teachers under subdivision 2a or 2b, shall see fit. The school site management team or the school board if there is no school site management team, shall adopt a plan for a written evaluation of teachers during the

probationary period according to subdivision 2a. Effective July 1, 1988, Evaluation by the peer review committee charged with evaluating probationary teachers under subdivision 2a shall occur at least three times each year for a teacher performing services on 120 or more school days, at least two times each year for a teacher performing services on 60 to 119 school days, and at least one time each year for a teacher performing services on fewer than 60 school days. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school shall not be included in determining the number of school days on which a teacher performs services. The school board may, during such probationary period, discharge or demote a teacher for any of the causes as specified in this code. A written statement of the cause of such discharge or demotion shall be given to the teacher by the school board at least 30 days before such removal or demotion shall become effective, and the teacher so notified shall have no right of appeal therefrom.

Sec. 53. Minnesota Statutes 1990, section 125.17, is amended by adding a subdivision to read:

Subd. 2a. [PEER REVIEW FOR PROBATIONARY TEACHERS.] A school must have a peer review committee charged with evaluating each probationary teacher at least three times each year for a period of three years as required under subdivision 3. The purpose of the evaluation procedure is to improve the probationary teacher's instructional effectiveness. The school site management team, or the school board if there is no school site management team, after consulting with a representative of the peer review committee and the school principal or other person having general control and supervision of the school, shall adopt a procedure for written evaluations of probationary teachers. The evaluation procedure must be structured as a continuing and cooperative process between the probationary teacher, the peer review committee, and the school principal or other person having general control and supervision of the school. The school site management team, or the school board if there is no school site management team, shall make available a written description of the evaluation procedure, including evaluation policies and criteria, to each newly hired teacher and to each probationary teacher. As part of the evaluation procedure, the school and the school district shall provide the necessary resources to assist a probationary teacher to improve those areas of instruction identified by the teacher, the peer review committee, or the principal or other person having general control and supervision of the school as in need of improvement. The school and the school district also shall provide to each probationary teacher opportunities for professional growth experiences, including in-service training.

Sec. 54. Minnesota Statutes 1990, section 125.17, is amended by adding a subdivision to read:

Subd. 2b. [APPLICABILITY.] Subdivision 2a does not apply to a school district that has formally adopted a probationary teacher review process that has been mutually agreed upon by the exclusive representative of the teachers in the district and the school board.

Sec. 55. Minnesota Statutes 1990, section 125.17, is amended by adding a subdivision to read:

Subd. 3a. [PEER REVIEW FOR NONPROBATIONARY TEACHERS.] A peer review committee for nonprobationary teachers shall exist in each school to provide nonprobationary teachers with the opportunity for positive interaction and professional growth to help students learn more effectively. The peer review committee must not judge teacher competency nor determine whether to discharge or demote a teacher. Members of the peer review committee must be selected by the school site management team, or by the exclusive bargaining representative if there is no school site management team. The selecting body shall establish an equitable process for selecting members of the peer review committee and an orderly cycle for rotating members. Only nonprobationary teachers shall serve as members of the peer review committee. The peer review committee shall review once each school year each nonprobationary teacher performing services on 120 or more school days. The review process must allow experienced teachers to improve instructional effectiveness through professional learning and development opportunities that include exchanging and internalizing ideas about the components of competent teaching. An in-service training session must be held at the beginning of each school year to train members of the peer review committee to facilitate teachers' reflections about the assumptions, beliefs, and practices underlying teaching. The selecting body shall design the training session and give the members of the peer review committee the necessary time off from the classroom responsibilities to perform the duties listed in this subdivision.

Sec. 56. [125.191] [LICENSE AND DEGREE EXEMPTION FOR HEAD COACH.]

Notwithstanding section 125.03, subdivision 1, a school district may employ as a head varsity coach of an interscholastic sport at its secondary school a person who does not have a license as head varsity coach of interscholastic sports and who does not have a bachelor's degree if:

(1) in the judgment of the school board, the person has the knowledge and experience necessary to coach the sport;

(2) the position has been posted as a vacancy within the present teaching staff for a period of 30 days and no licensed coaches have applied for the position;

(3) the person can verify completion of six quarter credits, or the equivalent, or 60 clock hours of instruction in first aid and the care and prevention of athletic injuries; and

(4) the person can verify completion of a coaching methods or theory course.

Notwithstanding section 125.121, a person employed as a head varsity coach under this section has an annual contract as a coach that the school board may or may not renew as the board sees fit, after annually posting the position as required in clause (2) and no licensed coach has applied for the position.

Sec. 57. Minnesota Statutes, section 126.12, subdivision 1, is amended to read:

Subdivision 1. Except for learning programs during summer and for, flexible school learning year programs authorized pursuant to under sections 120.59 to 120.67, and learning year programs under section 121.585, a school district shall not commence an elementary or secondary school year prior to Labor Day. Days which are devoted to teachers' workshops may be held before Labor Day. Districts that enter into cooperative agreements are encouraged to adopt similar school calendars.

Sec. 58. Minnesota Statutes 1990, section 126.266, subdivision 2, is amended to read:

Subd. 2. A teacher serving under an exemption as provided in subdivision 1 shall be granted a license as soon as that teacher qualifies for it. Not more than one year of service by a teacher under an exemption shall be credited to the teacher for the purposes of section 125.12, and not more than two years shall be credited to the teacher for purposes of section 125.17; and the one or two years shall be deemed to precede immediately and be consecutive with the year in which the teacher becomes licensed. For purposes of section 125.17, a teacher shall receive credit equal to the number of years the teacher served under an exemption.

Sec. 59. Minnesota Statutes 1990, section 128C.01, is amended by adding a subdivision to read:

Subd. 5. [CERTAIN COMMERCIAL RELATIONSHIPS PROHIBITED.] The board may not enter into corporate partnerships or similar agreements with any business or commercial organization that sells products or services used by student or adult participants in league activities while they participate in activities regulated by the league. The board may sell advertising to any such business or organization if the advertising is clearly identified as advertising paid for by the business or commercial organization.

Sec. 60. [171.3215] [CANCELING A SCHOOL BUS DRIVER'S ENDORSEMENT FOR CRIMES AGAINST MINORS.]

Subdivision 1. [DEFINITIONS.] As used in this section, the following terms have the meanings given them.

(1) "School bus driver" means a person possessing a school bus driver's endorsement on a valid Minnesota driver's license or a person possessing a valid Minnesota driver's license who drives a vehicle with a seating capacity of ten or less persons used as a school bus.

(2) "Crime against a minor" means an act committed against a minor victim that constitutes a violation of section 609.185, 609.19, 609.195, 609.20, 609.205, 609.21, subdivision 1, 609.221, 609.222, 609.223, 609.342, 609.343, 609.344, 609.345, 609.352, or a felony violation of section 609.322, 609.323, 609.324, or 609.377.

Subd. 2. [CANCELLATION.] The commissioner within 10 days of receiving notice under section 631.40, subdivision 1a, that a school bus driver has committed a crime against a minor shall permanently cancel the school bus driver's endorsement on the offender's driver's license. Upon canceling the offender's school bus driver's endorsement, the department shall immediately notify the licensed offender of the cancellation in writing, by depositing in the United States post office a notice addressed to the licensed offender at the licensed offender's last known address, with postage prepaid thereon.

Subd. 3. [BACKGROUND CHECK.] Before issuing or renewing a driver's license with a school bus driver's endorsement, the department shall conduct an investigation to determine whether the applicant has been convicted of committing a crime against a minor. The department shall not issue a new bus driver's endorsement and shall not renew an existing bus driver's endorsement if the applicant has been convicted of committing a crime against a minor.

Sec. 61. Minnesota Statutes 1990, section 203B.085, is amended to read:

203B.085 [COUNTY AUDITOR'S OFFICE TO REMAIN OPEN DURING CERTAIN HOURS PRECEDING ELECTION.]

The county auditor's office in each county must be open for acceptance of absentee ballot applications and casting of absentee ballots between the hours of 1:00 to 3:00 p.m. on Saturday and 5:00 to 7:00 p.m. on Monday immediately preceding a primary or general election. The school district clerk, when performing the county auditor's election duties, need not comply with this section.

Sec. 62. Minnesota Statutes 1990, section 214.10, is amended by adding a subdivision to read:

Subd. 9. [ACTS AGAINST MINORS.] (a) As used in this subdivision, the following terms have the meanings given them.

(1) "Licensed person" means a person who is licensed under this chapter by the board of nursing, the board of psychology, the social work licensing board, the board of marriage and family therapy, the board of unlicensed mental health service providers, or the board of teaching.

(2) "Crime against a minor" means conduct that constitutes a violation of section 609.185, 609.19, 609.195, 609.20, 609.205, 609.21, 609.215, 609.221, 609.222, 609.223, 609.342, 609.343, 609.345, or a felony violation of section 609.377.

(b) In any license revocation proceeding, there is a rebuttable presumption that a licensed person who is convicted in a court of competent jurisdiction of committing a crime against a minor is unfit to practice the profession or occupation for which that person is licensed.

Sec. 63. Minnesota Statutes 1990, section 245A.03, subdivision 2, is amended to read:

Subd. 2. [EXCLUSION FROM LICENSURE.] Sections 245A.01 to 245A.16 do not apply to:

(1) residential or nonresidential programs that are provided to a person by an individual who is related;

(2) nonresidential programs that are provided by an unrelated individual to persons from a single related family;

(3) residential or nonresidential programs that are provided to adults who do not abuse chemicals or who do not have a chemical dependency, a mental illness, mental retardation or a related condition, a functional impairment, or a physical handicap;

(4) sheltered workshops or work activity programs that are certified by the commissioner of jobs and training;

(5) programs for children enrolled in kindergarten to the 12th grade and prekindergarten regular and special education programs that are operated by the commissioner of education or a school as defined in section 120.101, subdivision 4;

(6) nonresidential programs for children that provide care or supervision for periods of less than three hours a day while the

child's parent or legal guardian is in the same building or present on property that is contiguous with the physical facility where the nonresidential program is provided;

(7) nursing homes or hospitals licensed by the commissioner of health except as specified under section 245A.02;

(8) board and lodge facilities licensed by the commissioner of health that provide services for five or more persons whose primary diagnosis is mental illness who have refused an appropriate residential program offered by a county agency. This exclusion expires on July 1, 1990;

(9) homes providing programs for persons placed there by a licensed agency for legal adoption, unless the adoption is not completed within two years;

(10) programs licensed by the commissioner of corrections;

(11) recreation programs for children or adults that operate for fewer than 40 calendar days in a calendar year;

(12) programs whose primary purpose is to provide social or recreational activities, for adults or school-age children, including children who will be eligible to enter kindergarten within not more than four months, social and recreational activities, such as scouting, boys clubs, girls clubs, sports, or the arts; except that a program operating in a school building is not excluded unless it is approved by the district's school board;

(13) head start nonresidential programs which operate for less than 31 days in each calendar year;

(14) noncertified boarding care homes unless they provide services for five or more persons whose primary diagnosis is mental illness or mental retardation;

(15) nonresidential programs for nonhandicapped children provided for a cumulative total of less than 30 days in any 12-month period;

(16) residential programs for persons with mental illness, that are located in hospitals, until the commissioner adopts appropriate rules;

(17) the religious instruction of school-age children; Sabbath or Sunday schools; or the congregate care of children by a church, congregation, or religious society during the period used by the church, congregation, or religious society for its regular worship;

(18) camps licensed by the commissioner of health under Minnesota Rules, chapter 4630;

(19) mental health outpatient services for adults with mental illness or children with emotional disturbance; or

(20) residential programs serving school-age children whose sole purpose is cultural or educational exchange, until the commissioner adopts appropriate rules.

For purposes of clause (5), the department of education, after consulting with the department of human services, shall adopt standards applicable to preschool programs administered by public schools that are similar to Minnesota rules, parts 9503.005 to 9503.0175. These standards are exempt from rulemaking under chapter 14.

Sec. 64. Minnesota Statutes 1990, section 275.065, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF PROPOSED PROPERTY TAXES.] (a) The county auditor shall prepare and the county treasurer shall deliver on or before November 10 each year, by first class mail to each taxpayer at the address listed on the county's current year's assessment roll, a notice of proposed property taxes and, in the case of a town, final property taxes.

(b) The commissioner of revenue shall prescribe the form of the notice.

(c) The notice must inform taxpayers that it contains the amount of property taxes each taxing authority other than a town proposes to collect for taxes payable the following year as required in paragraph (d) or (e) and, for a town, the amount of its final levy. It must clearly state that each taxing authority, other than a town or special taxing district, will hold a public meeting to receive public testimony on the proposed budget and proposed or final property tax levy, or, in case of a school district, on the current budget and proposed property tax levy. It must clearly state the time and place of each taxing authority's meeting and an address where comments will be received by mail. It must state the time and place for the continuation of the hearing if the hearing is not completed on the original date.

(d) Except as provided in paragraph (e), for taxes levied in 1990 and 1991, the notice must state by county, city or town, and school district:

(1) the total proposed or, for a town, final property tax levy for taxes payable the following year after reduction for state aid;

(2) the percentage increase or decrease from the actual property tax levy for taxes payable in the current year; and

(3) for counties, cities, and towns, the increase or decrease in population from the second previous calendar year to the immediately prior calendar year, and for school districts, the increase or decrease in the number of pupils in average daily membership from the second previous school year to the immediately prior school year as determined by the commissioner of education. The data used to determine the increase or decrease in population under this clause must be the data used for purposes of the population adjustment to the levy limit base of the county, city, or town under section 275.51, subdivision 6.

For purposes of this paragraph, "proposed property taxes after reduction for state aid" means the taxing authority's levy certified under section 275.07, subdivision 1.

(e) In the case of a county containing a city of the first class, or taxing authority lying wholly within a county or counties containing a city of the first class, for taxes levied in 1991, and thereafter, and for all counties for taxes levied in 1992 and thereafter, the notice must state for each parcel:

(1) the market value of the property as defined under section 272.03, subdivision 8, for property taxes payable in the following year and for taxes payable the current year;

(2) by county, city or town, school district, the sum of the special taxing districts, and as a total of the taxing authorities, including special taxing districts, the proposed or, for a town, final net tax on the property for taxes payable the following year and the actual tax for taxes payable the current year; and

(3) the increase or decrease in the amounts in clause (2) from taxes payable in the current year to proposed or, for a town, final taxes payable the following year, expressed as a dollar amount and as a percentage.

(f) The notice must clearly state that the proposed or final taxes do not include the following:

(1) special assessments;

(2) levies approved by the voters after the date the proposed taxes are certified, including bond referenda, school district levy referenda, and levy limit increase referenda;

(3) amounts necessary to pay cleanup or other costs due to a

natural disaster occurring after the date the proposed taxes are certified; and

(4) amounts necessary to pay tort judgments against the taxing authority that become final after the date the proposed taxes are certified.

Sec. 65. Minnesota Statutes 1990, section 275.065, subdivision 5a, is amended to read:

Subd. 5a. [PUBLIC ADVERTISEMENT.] (a) A city, county, or school district shall advertise in a newspaper a notice of its intent to adopt a budget and property tax levy or, in the case of a school district, a property tax levy, to review its current budget and proposed property taxes payable the following year at a public hearing. The notice must be published not less than two days nor more than six days before the hearing.

The advertisement must be at least one-eighth page in size of a standard-size or a tabloid-size newspaper, and the headlines in the advertisement stating the notice of proposed property taxes and the notice of public hearing must be in a type no smaller than 24-point. The text of the advertisement must be no smaller than 18-point, except that the property tax amounts and percentages may be in 14-point type. The advertisement must not be placed in the part of the newspaper where legal notices and classified advertisements appear. The advertisement must be published in an official newspaper of general circulation in the taxing authority. The newspaper selected must be one of general interest and readership in the community, and not one of limited subject matter. The advertisement must appear in a newspaper that is published at least once per week.

(b) The advertisement must be in the following form, except that the notice for a school district ~~must not~~ may include references to the current budget hearings or to adoption of a budget: in regard to proposed property taxes.

“NOTICE OF

PROPOSED PROPERTY TAXES

(City/County/School District) of

The governing body of will soon hold budget hearings and vote on the property taxes for (city/county services that will be provided in 199__ / school district services that will be provided in 199__ and 199__).

The property tax amounts below compare current (city/county/school district) property taxes and the property taxes that would be collected in 199__ if the budget now being considered is approved.

199__ Property Taxes	Proposed 199__ Property Taxes	199__ Increase or Decrease
\$.....	\$.....%

NOTICE OF PUBLIC HEARING:

All concerned citizens are invited to attend a public hearing and express their opinions on the proposed (city/county/school district) budget and property taxes, or in the case of a school district, its current budget and proposed property taxes, payable the following year. The hearing will be held on (Month/Day/Year) at (Time) at (Location, Address).

A continuation of the hearing, if necessary, will be held on (Month/Day/Year) at (Time) at (Location, Address).

Written comments may be directed to (Address)."

Sec. 66. Minnesota Statutes 1990, section 275.065, subdivision 6, is amended to read:

Subd. 6. [PUBLIC HEARING; ADOPTION OF BUDGET AND LEVY.] Between November 15 and December 20, the governing bodies of the city and county shall each hold a public hearing to adopt its final budget and property tax levy for taxes payable in the following year, and the governing body of the school district shall hold a public hearing to review its current budget and adopt its property tax levy for taxes payable in the following year.

At the hearing, the taxing authority, other than a school district, may amend the proposed budget and property tax levy and must adopt a final budget and property tax levy, and the school district may amend the proposed property tax levy and must adopt a final property tax levy.

The property tax levy certified under section 275.07 by a city, county, or school district must not exceed the proposed levy determined under subdivision 1, except by an amount up to the sum of the following amounts:

(1) the amount of a school district levy whose voters approved a referendum to increase taxes under section 124A.03, subdivision 2, or 124.82, subdivision 3, after the proposed levy was certified;

(2) the amount of a city or county levy approved by the voters under section 275.58 after the proposed levy was certified;

(3) the amount of a levy to pay principal and interest on bonds issued or approved by the voters under section 475.58 after the proposed levy was certified;

(4) the amount of a levy to pay costs due to a natural disaster occurring after the proposed levy was certified, if that amount is approved by the commissioner of revenue under subdivision 6a;

(5) the amount of a levy to pay tort judgments against a taxing authority that become final after the proposed levy was certified, if the amount is approved by the commissioner of revenue under subdivision 6a; and

(6) the amount of an increase in levy limits certified to the taxing authority by the commissioner of revenue or the commissioner of education after the proposed levy was certified.

At the hearing the percentage increase in property taxes proposed by the taxing authority, if any, and the specific purposes for which property tax revenues are being increased must be discussed. During the discussion, the governing body shall hear comments regarding a proposed increase and explain the reasons for the proposed increase. The public shall be allowed to speak and to ask questions prior to adoption of any measures by the governing body. The governing body, other than the governing body school districts, shall adopt its final property tax levy prior to adopting its final budget.

The hearing must be held after 5:00 p.m. if scheduled on a day other than Saturday. No hearing may be held on a Sunday. The county auditor shall provide for the coordination of hearing dates for all taxing authorities within the county.

By August 1, the county auditor shall notify the clerk of each school district within the county of the dates that the county board has designated for its hearing and any continuation under subdivision 3. By August 15, each school board shall certify to the county auditors of the counties in which the school district is located the dates on which it elects to hold its hearings and any continuations under subdivision 3. If a school board does not certify the dates by August 15, the auditor will assign the hearing date. The dates elected or assigned must not conflict with the county hearing dates. By August 20, the county auditor shall notify the clerks of the cities within the county of the dates on which the county and school districts have elected to hold their hearings. At the time a city certifies its proposed levy under subdivision 1 it shall certify the dates on which it elects to hold its hearings and any continuations under subdivision 3. The city must not select dates that conflict with

those elected by or assigned to the counties and school districts in which the city is located.

The hearing dates so elected or assigned must be designated on the notices required under subdivision 3.

This subdivision does not apply to towns and special taxing districts.

Sec. 67. Minnesota Statutes 1990, section 279.03, subdivision 1a, is amended to read:

Subd. 1a. [RATE AFTER DECEMBER 31, 1990.] (a) Except as provided in paragraph (b), 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.

(b) If a person is the owner of one or more parcels of property on which taxes are delinquent, and the aggregate tax capacity of that property exceeds 5 percent of the total tax capacity of the school district in which the property is located, interest on the delinquent property taxes, penalties, and costs unpaid after January 1, 1992, shall be payable at twice the rate determined under paragraph (a) for the year.

Sec. 68. Minnesota Statutes 1990, section 281.17, is amended to read:

281.17 [PERIOD FOR REDEMPTION.]

The period of redemption for all lands sold to the state at a tax judgment sale shall be three years from the date of sale to the state of Minnesota if the land is within an incorporated area unless it is: (a) nonagricultural homesteaded land as defined in section 273.13, subdivision 22₂; (b) homesteaded agricultural land as defined in section 273.13, subdivision 23, paragraph (a)₂; or (c) seasonal recreational land as defined in section 273.13, subdivision 23, paragraph (c), or subdivision 25, paragraph (d)(1) or (c)(4), clause (5), in for which event the period of redemption is five years from the date of sale to the state of Minnesota.

The period of redemption for homesteaded lands as defined in section 273.13, subdivision 22, located in a targeted neighborhood as defined in Laws 1987, chapter 386, article 6, section 4, and sold to the state at a tax judgment sale is three years from the date of sale.

The period of redemption for all lands located in a targeted neighborhood as defined in Laws 1987, chapter 386, article 6, section 4, except homesteaded lands as defined in section 273.13, subdivision 22, and sold to the state at a tax judgment sale is one year from the date of sale.

The period of redemption for all other lands sold to the state at a tax judgment sale shall be five years from the date of sale, except that the period of redemption for nonhomesteaded agricultural land as defined in section 273.13, subdivision 23, paragraph (b), shall be two years from the date of sale if at that time that property is owned by a person who owns one or more parcels of property on which taxes are delinquent, and the aggregate tax capacity of that property exceeds 5 percent of the total tax capacity of the school district in which the property is located.

Sec. 69. Minnesota Statutes 1990, 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, to eligibility for a license issued or renewed by the board of teaching or state board of education, 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. 70. Minnesota Statutes 1990, section 631.40, is amended to read:

631.40 [JUDGMENT ON CONVICTION; JUDGMENT ROLL DEFINED.]

Subdivision 1. 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. 1a. When a person is convicted of committing a crime against a minor as defined in section 171.3215, subdivision 1, the court shall order that the presentence investigation include information about whether the offender is a school bus driver as defined in section 171.3215, subdivision 1, whether the offender possesses a school bus driver's endorsement on the offender's driver's license and in what school districts the offender drives a school bus. If the offender is a school bus driver or possesses a school bus driver's endorsement, the court administrator shall send a certified copy of the conviction to the department of public safety and to the school districts in which the offender drives a school bus.

Subd. 2. [CRIMES AGAINST MINORS.] When a person is convicted of committing a crime against a minor as defined in section 214.10, subdivision 9, the court shall order that the presentence investigation include information about any professional or occupational license held by the offender. If the offender is a licensed person under section 214.10, subdivision 9, the court administrator shall send a certified copy of the conviction to the board having jurisdiction over the offender's license. Within 30 days of receiving notice of the conviction, the appropriate licensing board must initiate proceedings to consider revoking the offender's license.

Sec. 71. [RULEMAKING; TEACHER PREPARATION TIME.]

By May 1, 1992, the state board of education shall adopt a rule under Minnesota Statutes, chapter 14, establishing preparation time requirements for elementary school staff that are comparable to the preparation time requirements for secondary school staff established in Minnesota Rules, part 3500.3700, subpart 3. In adopting the rule, the state board shall consider the length and structure of the elementary day and, if appropriate, permit prepa-

ration time to be scheduled at more than one time during the school day. The rule must be effective for the 1992-1993 school year. The state board shall establish a process and criteria for granting one-year variances from the rule for districts that are unable to comply for the 1992-1993 school year.

Sec. 72. [SPECIAL EFFECTIVE DATE AND APPLICABILITY TO MID-RANGE SPECIAL EDUCATION COOPERATIVE NO. 932.]

Section 122.895, subdivisions 4 and 5, are applicable to the dissolution of the Mid-Range special education cooperative No. 932 on the day following final enactment. The member districts, independent school district No. 695, Chisholm, independent school district No. 698, Floodwood, and independent school district No. 701, Hibbing, shall be treated as if they were equal partners in the dissolution. The deadline specified in section 122.895, subdivision 4, paragraph (b), for notice of a teacher's exercise of rights under that subdivision is 11 days following the day following final enactment. The deadline specified in section 122.895, subdivision 5, paragraph (b), for notice to teachers of available positions is 21 days following the day following final enactment. Teachers employed by the Mid-Range special education cooperative No. 932 shall be notified under section 122.895, subdivision 5, paragraph (b), of available teaching positions as follows: teachers shall be given written notice of available teaching positions only in the member district or districts to which the teacher was providing services through the cooperative at the time of dissolution. The deadline specified in section 122.895, subdivision 5, paragraph (c), for notice of a teacher's exercise of rights under that subdivision is 37 days following the day following final enactment.

Sec. 73. [REGIONAL CENTER EXPENDITURE LIMIT.]

For fiscal year 1993, a regional management information center may not spend more money than the amount approved by the state board in June 1992.

Sec. 74. [REGIONAL SUBSIDY DISTRIBUTION.]

Notwithstanding any law to the contrary, a regional management information center may distribute regional subsidies to the member districts.

Sec. 75. [REPEALER.]

Minnesota Statutes 1990, sections 120.105; 121.932, subdivision 1; 121.933, subdivision 2; 121.935, subdivision 3; 121.937, subdivision 2; 122.43, subdivision 1; 123.3514, subdivisions 6 and 6b; and 123.73, are repealed. Minnesota Rules, parts 3560.0030, subparts

2(A), 4, and 5; 3560.0040, subparts 2 and 4; and 3560.0060, are repealed.

Minnesota Statutes 1990, section 123.744, is repealed. Laws 1988, chapter 703, article 1, section 23, as amended by Laws 1989, chapter 293, section 81; and Laws 1989, chapters 293, section 82, and 329, article 9, section 30, are repealed.

Sec. 76. [EFFECTIVE DATE.]

Section 123.38, subdivision 2b, is effective the day following final enactment and applies to the 1990-1991 school year and thereafter. Sections 123.33, subdivision 1; and 123.3514, subdivision 4 are effective the day following final enactment and apply to 1991-1992 and later school years.

Sections 122.895; 123.35, subdivision 20; 125.09, subdivision 4; 128C.01, subdivision 5; 214.10, subdivision 9 are effective the day following final enactment. Section 122.41 is effective July 1, 1992. Section 120.062, subdivision 8a, paragraphs (b) and (c), are effective retroactively to December 1, 1990. Sections 123.3514, subdivision 4; and 124.17, subdivision 1c are effective retroactively to July 1, 1990. Section 281.17 is effective for taxes deemed delinquent after December 31, 1991. Sections 125.12, subdivisions 3a and 4a; and 125.17, subdivisions 2a and 3a are effective July 1, 1993. Sections 121.931, subdivisions 6a, 7, and 8; 121.932, subdivisions 2, 3, and 5; 121.933, subdivision 1; 121.934, subdivision 7; 121.935, subdivisions 1, 4, 6, and 8; 121.936, subdivisions 1, 2, and 4; and 121.937, subdivision 1, are effective July 1, 1993.

Under Minnesota Statutes, section 123.34, subdivision 9, a contract executed before July 1, 1991, between a superintendent and a school board that continues in effect beyond June 30, 1991, shall continue until terminated under those terms that were lawful at the time the contract was executed.

Sections 15 to 30 are effective July 1, 1993. Section 74 is effective the day following final enactment.

ARTICLE 10

LIBRARIES

Section 1. Minnesota Statutes 1990, section 134.001, subdivision 2, is amended to read:

Subd. 2. "Public library" means any library that provides free access to all residents of a city or county without discrimination, receives at least half of its financial support from public funds and is organized under the provisions of chapter 134. Except as provided in

section 3, it does not include libraries such as law, medical, school and academic libraries organized to serve a special group of persons, or libraries organized as a combination of a public library and another type of library.

Sec. 2. Minnesota Statutes 1990, section 134.001, subdivision 3, is amended to read:

Subd. 3. "Public library services" means services provided by or on behalf of a public library ~~and. Except as provided in section 3, it does not include services for elementary schools, secondary schools or post-secondary educational institutions.~~

Sec. 3. [134.195] [LIBRARY OPERATED BY CITY AND SCHOOL DISTRICT.]

Subdivision 1. [ESTABLISHMENT.] A school district and a city that has established a public library under sections 134.07 and 134.08, by ordinance or resolution, may jointly finance and operate a public library for use by school students and the public. If the city is already taxed for public library service by a county, approval of the board of county commissioners is required. If the city is served by a regional public library system, approval of the regional public library system board is required. Public library service established under this section may be discontinued by action of the city council or the school board upon one year's notice to the other party.

Subd. 2. [APPOINTMENT OF JOINT LIBRARY BOARD.] The ordinance or resolution shall establish a library board of five, seven, or nine members and shall state the number of members to be appointed by the mayor, with the approval of the city council, and the number of members to be appointed by the school board. One member of the city council and one member of the school board shall be appointed to the library board. The remaining members of the library board may not be members of either the city council or the school board. Board members shall be residents of the city or the school district.

Subd. 3. [BOARD TERMS OF OFFICE.] The terms of office for board members shall be established according to section 134.09, subdivision 2.

Subd. 4. [REMOVAL OF BOARD MEMBERS.] The mayor, with the approval of the council, or the school board may remove for misconduct or neglect any member it has appointed to the library board.

Subd. 5. [ABOLISHMENT OF BOARD.] Upon recommendation of a majority of the library board established under subdivision 2, the city council and the school board may abolish the library board

provided that the city council and the school district shall immediately establish, by ordinance or resolution, a successor library board of five, seven, or nine members. The appointment of successor board members shall be as provided in subdivision 2 and the terms shall be as provided in subdivision 3.

Subd. 6. [BOARD VACANCIES AND COMPENSATION.] The library board president shall report a vacancy on the board to the appointing authority who shall fill the vacancy by appointment for the unexpired term. Library board members shall receive no compensation for their services but may be reimbursed for actual and necessary travel expenses incurred in the discharge of library board duties and activities.

Subd. 7. [POWERS AND DUTIES OF BOARD.] Except as provided in subdivision 9, the library board has the powers and duties set forth in section 134.11, subdivision 2.

Subd. 8. [FUNDING.] The ordinance or resolution establishing the library shall provide for joint financing of the library by the school district and the city. The city shall provide at least the minimum dollar amount established in section 134.34, subdivision 1. The school district shall provide money for staff and materials for the library at least in proportion to the use related to curriculum, as determined by the circulation statistics of the library. Neither the city nor the school district shall reduce the financial support provided for operation of library or media services below the level of support provided in the preceding year.

Subd. 9. [CONTRACTS.] The library board may contract with the school board, the regional library board, or the city in which the library is situated to provide personnel, fiscal, or administrative services. The contract shall state the personnel, fiscal, and administrative services and payments to be provided by each party.

Subd. 10. [CRITERIA.] Public library services established according to this section, including materials, programs, equipment, and other public library services, whether located in an elementary or secondary school building or elsewhere, shall be available for simultaneous use by students and residents of the area. If public library services are located in an elementary or secondary school building, a separate entrance, accessible from the outside of the school building, shall be provided for use by the residents. The library shall meet all requirements in statutes and rules applicable to public libraries and school media centers. A media supervisor licensed by the board of teaching may be the director of the library. The library shall be centrally located in the community and available for use by residents during all hours the school is in session, at least 15 additional hours each week during evenings, and on Saturdays. The library shall continue to maintain approximately the same hours of operation when the school is not in session. The

library shall have telephone service that is separate from the telephone service for the school. Public parking, restrooms, drinking water, and other necessities shall be easily accessible to residents.

Sec. 4. Minnesota Statutes 1990, section 134.35, is amended to read:

134.35 [REGIONAL LIBRARY BASIC SYSTEM SUPPORT GRANTS; DISTRIBUTION FORMULA.]

Subdivision 1. [GRANT APPLICATION.] Any regional public library system which qualifies according to the provisions of section 134.34 may apply for an annual grant for regional library basic system support. The amount of each grant for each fiscal year shall be calculated as provided in this section.

Subd. 2. ~~Sixty~~ Fifty-seven and one-half percent of the available grant funds shall be distributed to provide all qualifying systems an equal amount per capita. Each system's allocation pursuant to this subdivision shall be based on the population it serves.

Subd. 3. ~~Fifteen~~ Twelve and one-half percent of the available grant funds shall be distributed to provide all qualifying systems an equal amount per square mile. Each system's allocation pursuant to this subdivision shall be based on the area it serves.

Subd. 4. ~~Seven and one-half~~ Five percent of the available grant funds shall be paid to each system as a base grant for basic system services.

Subd. 5. ~~Seventeen and one-half~~ Twenty-five percent of the available grant funds shall be distributed to regional public library systems ~~which contain counties whose based upon~~ the adjusted net tax capacity per capita were below the state average adjusted net tax capacity per capita for each member county or participating portion of a county as calculated for the second year preceding the fiscal year for which the grant is made. Each system's entitlement shall be calculated as follows:

(a) subtract the adjusted net tax capacity per capita for each eligible county or participating portion of a county from the state-wide average adjusted net tax capacity per capita;

(b) multiply the difference obtained in clause (a) for each eligible county or participating portion of a county by the population of that eligible county or participating portion of a county;

(c) for each regional public library system, determine the sum of the results of the computation in clause (b) for all eligible counties or portions thereof in that system;

(d) determine the sum of the result of the computation in clause (b) for all eligible counties or portions thereof in all regional public library systems in the state;

(e) for each system, divide the result of the computation in clause (c) by the result of the computation in clause (d) to obtain the allocation factor for that system;

(f) multiply the allocation factor for each system as determined in clause (e) times the amount of the remaining grant funds to determine each system's dollar allocation pursuant to this subdivision.

(a) Multiply the adjusted net tax capacity per capita for each county or participating portion of a county by .0082.

(b) Add sufficient grant funds that are available under this subdivision to raise the amount of the county or participating portion of a county with the lowest value calculated according to paragraph (a) to the amount of the county or participating portion of a county with the next highest value calculated according to paragraph (a). Multiply the amount of the additional grant funds by the population of the county or participating portion of a county.

(c) Continue the process described in paragraph (b) by adding sufficient grant funds that are available under this subdivision to the amount of a county or participating portion of a county with the next highest value calculated in paragraph (a) to raise it and the amount of counties and participating portions of counties with lower values calculated in paragraph (a) up to the amount of the county or participating portion of a county with the next highest value, until reaching an amount where funds available under this subdivision are no longer sufficient to raise the amount of a county or participating portion of a county and the amount of counties and participating portions of counties with lower values up to the amount of the next highest county or participating portion of a county.

(d) If the point is reached using the process in paragraphs (b) and (c) at which the remaining grant funds under this subdivision are not adequate for raising the amount of a county or participating portion of a county and all counties and participating portions of counties with amounts of lower value to the amount of the county or participating portion of a county with the next highest value, those funds are to be divided on a per capita basis for all counties or participating portions of counties that received grant funds under the calculation in paragraphs (b) and (c).

Subd. 6. [POPULATION DETERMINATION.] Population shall be determined according to section 477A.011, subdivision 3.

Sec. 5. [FISCAL YEAR 1992 BASIC SUPPORT SYSTEM GRANTS POPULATION.]

For fiscal year 1992, the portions of the regional library basic support system grants determined under Minnesota Statutes, section 134.35, subdivisions 2 and 5, shall be based upon the population established by the 1980 federal census.

Sec. 6. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [BASIC SUPPORT GRANTS.] For basic support grants according to Minnesota Statutes, sections 134.32 to 134.35:

\$6,118,000 1992

\$7,563,000 1993

The 1992 appropriation includes \$917,000 for 1991 and \$5,201,000 for 1992.

The 1993 appropriation includes \$917,000 for 1992 and \$6,646,000 for 1993.

Subd. 3. [MULTICOUNTY, MULTITYPE LIBRARY SYSTEMS.] For grants according to Minnesota Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

\$486,000 1992

\$527,000 1993

The 1992 appropriation includes \$38,000 for 1991 and \$448,000 for 1992.

The 1993 appropriation includes \$79,000 for 1992 and \$448,000 for 1993.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment. Section 4 is effective July 1, 1992.

ARTICLE 11
STATE EDUCATION AGENCIES

Section 1. Minnesota Statutes 1990, section 120.17, subdivision 11a, is amended to read:

Subd. 11a. [STATE INTERAGENCY COORDINATING COUNCIL.] An interagency coordinating council of 15 members is established. The members and the chair shall be appointed by the governor. The council shall be composed of at least three parents of children under age seven with handicaps, three representatives of public or private providers of services for children under age five with handicaps, one member of the senate, one member of the house of representatives, one representative of teacher preparation programs in early childhood-special education, at least one representative of advocacy organizations for children with handicaps, at least one representative of a school district or a school district cooperative, and other members knowledgeable about children under age five with handicaps. Section 15.059, subdivisions 2 to 5, apply to the council. The council shall meet at least quarterly. A representative of each of the commissioners of education, health, and human services shall attend council meetings as a nonvoting member of the council.

The council shall address methods of implementing the state policy of developing and implementing comprehensive, coordinated, multidisciplinary interagency programs of early intervention services for children with handicaps and their families.

The duties of the council include recommending policies to ensure a comprehensive and coordinated system of all state and local agency services for children under age five with handicaps and their families. The policies must address how to incorporate each agency's services into a unified state and local system of multidisciplinary assessment practices, individual intervention plans, comprehensive systems to find children in need of services, methods to improve public awareness, and assistance in determining the role of interagency early intervention committees.

It is the joint responsibility of county boards and school districts to coordinate, provide, and pay for appropriate services, and to facilitate payment for services from public and private sources. Appropriate services must be determined in consultation with parents, physicians, and other educational, medical, health, and human services providers. Appropriate services include family education and counseling, home visits, occupational and physical therapy, speech pathology, audiology, psychological services, case management, medical services for diagnostic and evaluation purposes, early identification, and screening, assessment, and health services necessary to enable children with handicaps to benefit from early

intervention services. School districts must be the primary agency in this cooperative effort.

Each year by January 15 the council shall submit its recommendations to ~~the education committees of the legislature~~, the governor, and the commissioners of education, health, and human services.

Sec. 2. Minnesota Statutes 1990, section 121.14, is amended to read:

121.14 [RECOMMENDATIONS; BUDGET.]

The state board and the commissioner of education shall recommend to the governor and legislature such modification and unification of laws relating to the state system of education as shall make those laws more readily understood and more effective in execution. The state board and the commissioner of education shall prepare a biennial education budget which shall be submitted to the governor and legislature, such budget to contain a complete statement of finances pertaining to the maintenance of the state department and to the distribution of state aid ~~to public schools~~.

Sec. 3. Minnesota Statutes 1990, section 121.165, is amended to read:

121.165 [REPORTS BY THE COMMISSIONER.]

Prior to January 15 of each year, the commissioner of education shall gather ~~and report to the committees on education of the senate and house of representatives~~ from presently available reports or from new reports it may require of school districts, the following types of information: the number of classroom teachers in every district at each training, experience and salary level; the ratio of pupils to full time equivalent certified classroom teachers in every district; and any other district staffing characteristics of fiscal import. This information shall be gathered in such a manner as to render it capable of district by district, regional and statewide comparison and analysis.

Sec. 4. Minnesota Statutes 1990, section 121.49, subdivision 1, is amended to read:

Subdivision 1. The department of education shall itemize for each school district in the state the total amount of money and the amount of money per pupil unit which accrues to the district for each fiscal year from each type of state and federal aid, refund, payment, credit, disbursement or monetary obligation of any kind, including but not limited to each special state aid, emergency aid, payments in lieu of taxes, and pension and retirement obligations for the benefit of personnel of the district. State agencies ~~which~~ that have informa-

tion necessary for the itemization required by this section shall provide the information to the department of education. ~~The completed itemizations shall be reported to the appropriate standing committees of the legislature in convenient reference form not later than December 1 following the year for which they are made.~~

Sec. 5. Minnesota Statutes 1990, section 121.609, subdivision 3, is amended to read:

Subd. 3. [EVALUATION AND REPORT.] The commissioner shall provide for independent evaluation of the effectiveness of this section. ~~The evaluation results shall be reported to the education committees of the legislature by January 15 of each year.~~

The commissioner, with the assistance of the advisory task force, shall develop a long-term evaluation instrument for use at the research and development sites and other districts utilizing the educational effectiveness program. The long-term evaluation instrument shall include a method for measuring student achievement.

Sec. 6. Minnesota Statutes 1990, section 121.612, subdivision 9, is amended to read:

Subd. 9. [REPORT.] The board of directors of the foundation shall submit an annual report to the ~~education committees of the legislature~~ state board of education on the progress of its activities. ~~The annual report shall contain a financial report for the preceding year, including all receipts and expenditures of the foundation.~~

Sec. 7. Minnesota Statutes 1990, section 121.917, subdivision 3, is amended to read:

Subd. 3. If a school district does not limit its expenditures in accordance with this section, the commissioner ~~shall~~ may so notify the appropriate committees of the legislature by no later than January 1 of the year following the end of that fiscal year.

Sec. 8. Minnesota Statutes 1990, section 124.14, subdivision 7, is amended to read:

Subd. 7. [APPROPRIATION TRANSFERS.] If a direct appropriation from the general fund to the department of education for any education aid or grant authorized in this chapter and chapters 121, 123, 124A, 124C, 125, 126, and 134 exceeds the amount required, the commissioner of education may transfer the excess to any education aid or grant appropriation that is insufficient. However, section 124A.032 applies to a deficiency in the direct appropriation for general education aid. Excess appropriations shall be allocated proportionately among aids or grants that have insufficient appropriations. The commissioner of finance shall make the necessary

transfers among appropriations according to the determinations of the commissioner of education. ~~The commissioner of education shall report appropriation transfers to the education committees of the legislature each year by January 15.~~ If the amount of the direct appropriation for the aid or grant plus the amount transferred according to this subdivision is insufficient, the commissioner shall prorate the available amount among eligible districts. The state is not obligated for any additional amounts.

Sec. 9. Minnesota Statutes 1990, section 124C.03, subdivision 16, is amended to read:

Subd. 16. [REPORTING AND EVALUATION.] The commissioner of the state planning agency 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. 10. Minnesota Statutes 1990, section 126.665, is amended to read:

126.665 [STATE CURRICULUM ADVISORY COMMITTEE.]

The commissioner shall appoint a state curriculum advisory committee of 11 members to advise the state board and the department on the PER process. Nine members shall be from each of the educational cooperative service units and two members shall be at-large. The committee shall include representatives from the state board of education, parents, teachers, administrators, and school board members. Each member shall be a present or past member of a district curriculum advisory committee. The state committee shall provide information and recommendations about at least the following:

- (1) department procedures for reviewing and approving reports and disseminating information;
- (2) exemplary PER processes;
- (3) recommendations for improving the PER process and reports; and
- (4) developing a continuous process for identifying and attaining essential learner outcomes.

~~By February 1 of each year, the commissioner, in cooperation with the state curriculum advisory committee, shall prepare a report for the education committees of the legislature. The report shall include the recommendations of the state curriculum advisory committee. The committee expires as provided in section 15.059, subdivision 5.~~

Sec. 11. Minnesota Statutes 1990, section 128A.02, subdivision 4, is amended to read:

Subd. 4. [PLAN.] (a) The state board must have a two-year plan for the academies and must update it annually.

(b) The plan must deal with:

(1) interagency cooperation;

(2) financial accounting;

(3) cost efficiencies;

(4) staff development;

(5) program and curriculum development;

(6) use of technical assistance from the department;

(7) criteria for program and staff evaluation;

(8) pupil performance evaluation;

(9) follow-up study of graduates;

(10) implementing this chapter;

(11) how to communicate with pupils' districts of residence; and

(12) coordinating instructional and residential programs.

(c) The plan may deal with other matters.

~~(d) The state board must submit the plan and recommendations for improvement of the academies to the education committees of the legislature by January 15 of each odd-numbered year.~~

Sec. 12. Minnesota Statutes 1990, section 128A.05, subdivision 3, is amended to read:

Subd. 3. [OUT-OF-STATE ADMISSIONS.] An applicant from another state who can benefit from attending either academy may be admitted to the academy if the admission does not prevent an eligible Minnesota resident from being admitted. ~~The commissioner~~ state board of education must get reimbursed obtain reimbursement from the other state for the costs of the out-of-state admission. The ~~commissioner~~ state board may make enter into an agreement with the appropriate authority in the other state to get reimbursed for

the reimbursement. Money received from another state must be paid to the state treasurer and deposited by the treasurer in the general fund and credited to the general operating account of the academies. The money is appropriated to the academies.

Sec. 13. Minnesota Statutes 1990, section 128C.12, subdivision 3, is amended to read:

Subd. 3. [COPIES.] The state auditor must file copies of the financial and compliance audit report with the commissioner of education, ~~the chairs of the house and senate education committees~~ and the director of the legislative reference library.

Sec. 14. Minnesota Statutes 1990, section 128C.20, is amended to read:

128C.20 [COMMISSIONER TO REPORT ON REVIEW OF LEAGUE TO LEGISLATURE.]

Subdivision 1. [ANNUALLY.] Each year the commissioner of education must report to the legislature before each regular session on the activities of the league. The report must contain at least shall obtain and review the following information about the league:

(1) an accurate and concise summary of the annual financial and compliance audit prepared by the state auditor that includes information about the compensation of and the expenditures by the executive director of the league and league staff;

(2) a list of all complaints filed with the league and all lawsuits filed against the league and the disposition of those complaints and lawsuits;

(3) an explanation of the executive director's performance review;

(4) information about the extent to which the league has implemented its affirmative action policy, its comparable worth plan, and its sexual harassment and violence policy and rules; and

(5) an evaluation of any proposed changes in league policy.

Subd. 2. [RECOMMEND LAWS.] The commissioner ~~must~~ may recommend to the legislature whether any legislation is made necessary by league activities.

Sec. 15. Minnesota Statutes 1990, section 129C.10, subdivision 3, is amended to read:

Subd. 3. [POWERS AND DUTIES OF BOARD.] (a) The board has the powers necessary for the care, management, and control of the

Minnesota center for arts education and all its real and personal property. The powers shall include, but are not limited to, those listed in this subdivision.

(b) The board may employ and discharge necessary employees, and contract for other services to ensure the efficient operation of the center for arts education.

(c) The board may receive and award grants. The board may establish a charitable foundation and accept, in trust or otherwise, any gift, grant, bequest, or devise for educational purposes and hold, manage, invest, and dispose of them and the proceeds and income of them according to the terms and conditions of the gift, grant, bequest, or devise and its acceptance. The board shall adopt internal procedures to administer and monitor aids and grants.

(d) The board may establish or coordinate evening, continuing education, extension, and summer programs for teachers and pupils.

(e) The board may identify pupils ~~in grades 9 to 12~~ who have artistic talent, either demonstrated or potential, in dance, literary arts, media arts, music, theater, and visual arts, or in more than one art form.

(f) The board shall educate pupils with artistic talent by providing:

(1) ~~a pilot an interdisciplinary academic and arts program for pupils in the 11th and 12th grades, beginning with 135 pupils in the 11th grade in September 1989, and 135 pupils in the 11th grade and 135 pupils in the 12th grade in September 1990. The total number of pupils accepted under this clause and clause (2) shall not exceed 300;~~

(2) additional instruction to pupils for a thirteenth grade. Pupils eligible for this instruction are those enrolled in 12th grade who need extra instruction and who apply to the board, or pupils enrolled in the 12th grade who do not meet learner outcomes established by the board. Criteria for admission into the thirteenth grade shall not be subject to chapter 14;

(3) intensive arts seminars for one or two weeks for pupils in grades 9 to 12;

~~(3)~~ (4) summer arts institutes for pupils in grades 9 to 12;

~~(4)~~ (5) artist mentor and extension programs in regional sites; and

~~(5)~~ (6) teacher education programs for indirect curriculum delivery.

(g) The board may determine the location for the Minnesota center for arts education and any additional facilities related to the center, including the authority to lease a temporary facility.

(h) The board must plan for the enrollment of pupils on an equal basis from each congressional district.

(i) The board may establish task forces as needed to advise the board on policies and issues. The task forces expire as provided in section 15.059, subdivision 6.

(j) The board may request the commissioner of education for assistance and services.

(k) The board may enter into contracts with other public and private agencies and institutions for residential and building maintenance services if it determines that these services could be provided more efficiently and less expensively by a contractor than by the board itself. The board may also enter into contracts with public or private agencies and institutions, school districts or combinations of school districts, or educational cooperative service units to provide supplemental educational instruction and services.

(l) The board may provide or contract for services and programs by and for the center for arts education, including a store, operating in connection with the center; theatrical events; and other programs and services that, in the determination of the board, serve the purposes of the center.

(m) The board may provide for transportation of pupils to and from the center for arts education for all or part of the school year, as the board considers advisable and subject to its rules. Notwithstanding any other law to the contrary, the board may charge a reasonable fee for transportation of pupils. Every driver providing transportation of pupils under this paragraph must possess all qualifications required by the state board of education. The board may contract for furnishing authorized transportation under rules established by the commissioner of education and may purchase and furnish gasoline to a contract carrier for use in the performance of a contract with the board for transportation of pupils to and from the center for arts education. When transportation is provided, scheduling of routes, establishment of the location of bus stops, the manner and method of transportation, the control and discipline of pupils, and any other related matter is within the sole discretion, control, and management of the board.

(n) The board may provide room and board for its pupils. If the board provides room and board, it shall charge a reasonable fee for the room and board. The fee is not subject to chapter 14 and is not a prohibited fee according to sections 120.71 to 120.76.

(o) The board may establish and set fees for services and programs without regard to chapter 14. If the board sets fees not authorized or prohibited by the Minnesota public school fee law, it may do so without complying with the requirements of section 120.75, subdivision 1.

Sec. 16. Minnesota Statutes 1990, section 129C.10, subdivision 3a, is amended to read:

Subd. 3a. [~~CENTER FUND APPROPRIATION ACCOUNT.~~] There is established in the state treasury a center for arts education ~~fund account in the special revenue fund.~~ All money collected by the board, including rental income, shall be deposited in the ~~fund~~ account. Money in the ~~fund~~ account, including interest earned, is ~~annually~~ appropriated to the board for the operation of its services and programs.

Sec. 17. Minnesota Statutes 1990, section 129C.10, subdivision 4a, is amended to read:

Subd. 4a. [ADMISSION AND CURRICULUM REQUIREMENTS GENERALLY.] (a) The board may adopt rules for admission to and discharge from the full-time programs for talented pupils, rules regarding discharge from the dormitory, and rules regarding the operation of the center, including transportation of its pupils. Rules covering admission are governed by chapter 14. Rules covering discharge from the full-time program for talented pupils must be consistent with sections 127.26 to 127.39, the pupil fair dismissal act. Rules covering discharge from the dormitory are not governed by the pupil fair dismissal act as set forth in sections 127.26 to 127.39. Rules regarding discharge and the operation of the center are not governed by chapter 14.

(b) Proceedings concerning the full-time program for talented pupils, including admission, discharge, a pupil's program, and a pupil's progress, are governed by the rules adopted by the board and are not contested cases governed by chapter 14.

Sec. 18. Minnesota Statutes 1990, section 129C.10, subdivision 6, is amended to read:

Subd. 6. [PUBLIC POST-SECONDARY INSTITUTIONS; PROVIDING SPACE.] Public post-secondary institutions shall provide space for programs offered by the Minnesota center for arts education at no cost or reasonable cost to the center to the extent that space is available at the public post-secondary institutions.

Sec. 19. [129C.15] [RESOURCE, MAGNET, AND OUTREACH PROGRAMS.]

Subdivision 1. [RESOURCE AND OUTREACH.] The center shall offer resource and outreach programs and services statewide aimed at the enhancement of arts education opportunities for pupils in elementary and secondary school. The programs and services shall include:

(1) developing and demonstrating exemplary curriculum, instructional practices, and assessment;

(2) disseminating information; and

(3) providing programs for pupils and teachers that develop technical and creative skills in art forms that are underrepresented and in geographic regions that are underserved.

Subd. 2. [MAGNET PROGRAMS.] The center shall identify at least one school district in each congressional district with interest and the potential to offer magnet arts programs using the curriculum developed by the Minnesota center for arts education.

Sec. 20. Minnesota Statutes 1990, section 134.31, subdivision 4, is amended to read:

Subd. 4. The department shall collect statistics on the receipts, expenditures, services, and use of the regional public library systems and the public libraries of the state. It shall also collect statistics on all activities undertaken pursuant to sections 134.31 to 134.35. ~~The department shall report its findings to the legislature prior to November 15 of each even-numbered year, together with a statement of its expenditures relating to these activities and any other matters as it deems appropriate.~~

Sec. 21. Minnesota Statutes 1990, section 134.351, subdivision 7, is amended to read:

Subd. 7. [REPORTS.] Each multicounty, multitype system receiving a grant pursuant to section 134.353 or 134.354 shall provide an annual progress report to the department of education. ~~The department shall report before November 15 of each even-numbered year to the legislature on all projects funded under sections 134.353 and 134.354.~~

Sec. 22. Minnesota Statutes 1990, section 268.08, subdivision 6, is amended to read:

Subd. 6. [SERVICES PERFORMED FOR STATE, MUNICIPALITIES OR CHARITABLE CORPORATION.] Benefits based on service in employment defined in section 268.04, subdivision 12, clauses (7), (8) and (9), are payable in the same amount, on the same

terms and subject to the same conditions as benefits payable on the basis of other service subject to this chapter; except that

(a) Benefits based upon service performed in an instructional, research, or principal administrative capacity for an institution of higher education or a public school, or a nonpublic school, or the Minnesota state academy for the deaf or Minnesota state academy for the blind, or the Minnesota center for arts education, or in a public or nonpublic school for an educational cooperative service unit established under section 123.58, or any other educational service agency as defined in section 3304(a)(6)(A)(IV) of the Federal Unemployment Tax Act, shall not be paid for any week of unemployment commencing during the period between two successive academic years or terms, or during a similar period between two regular but not successive terms, or during a period of paid sabbatical leave provided for in the individual's contract, to any individual if the individual performs the services in the first of the academic years or terms and if there is a contract or a reasonable assurance that the individual will perform services in any such capacity for any institution of higher education, public school, nonpublic school, Minnesota state academies for the deaf and blind, the Minnesota center for arts education, an educational cooperative service unit, or other educational service agency, in the second of the academic years or terms, and

(b) With respect to service performed in any capacity other than those capacities described in clause (a) of this subdivision, for an institution of higher education, or a public school or nonpublic school, or the Minnesota state academy for the deaf or Minnesota state academy for the blind, or the Minnesota center for arts education, or in a public or nonpublic school or for an educational cooperative service unit established under section 123.58, or any other educational service agency as defined in section 3304(a)(6)(A)(IV) of the Federal Unemployment Tax Act, benefits shall not be paid on the basis of these services to any individual for any week which commences during a period between two successive academic years or terms if the individual performs the services in the first of the academic years or terms and there is a reasonable assurance that the individual will perform the services in the second of the academic years or terms. If benefits are denied to any individual under this clause and the individual was not offered an opportunity to perform the services in the second of the academic years or term, the individual shall be entitled to a retroactive payment of benefits for each week in which the individual filed a timely claim for benefits, but the claim was denied solely because of this clause; and

(c) With respect to services described in clauses (a) or (b), benefits payable on the basis of the services shall not be paid to any individual for any week which commences during an established and customary vacation period or holiday recess if the individual

performs the services in the period immediately before the vacation period or holiday recess, and there is a reasonable assurance that the individual will perform the services in the period immediately following the vacation period or holiday recess.

Sec. 23. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] (a) The sums indicated in this section are appropriated from the general fund, unless otherwise indicated, to the department of education for the fiscal years designated.

(b) The amounts that may be spent for each program are specified in the following subdivisions.

(c) The approved complement is:

	<u>1992</u>	<u>1993</u>
<u>General Fund</u>	<u>258.5</u>	<u>258.5</u>
<u>Federal</u>	<u>135.6</u>	<u>135.6</u>
<u>Other</u>	<u>28.9</u>	<u>28.9</u>
<u>Total</u>	<u>423.0</u>	<u>423.0</u>

(d) The commissioner of education, with the approval of the commissioner of finance, may transfer unencumbered balances among the programs during the biennium. Transfers must be reported immediately to the education finance division of the education committee of the house of representatives and the education funding division of the education committee of the senate. During the biennium, the commissioner may transfer money among the various objects of expenditure categories and activities within each program, unless restricted by executive order.

(e) The commissioner of education may transfer complement among funds if necessary and must provide a listing of the transfers to the commissioner of finance at the end of each fiscal year. Material changes must be approved by the commissioner of finance and reported to the house education finance division and the senate education funding division.

(f) The expenditures of federal grants and aids as shown in the biennial budget document are approved and shall be spent as indicated.

(g) The commissioner shall continue to enforce Minnesota Statutes, section 126.21, and other civil rights laws as they apply to programs supervised by the commissioner. This function must not be performed by the same person who, with funding under a federal

grant, is providing technical assistance to school districts in implementing nondiscrimination laws.

(h) It is the policy of the legislature to maximize the delivery of educational services to students. If a reduction in the number of employees of the department of education is necessary, the commissioner must make the reduction to personnel based on the following:

(1) Compute a ratio for each category of management, supervisory, line, and support personnel equal to:

(i) the salaries paid to personnel in each category, for the fiscal year ending June 30, 1991, divided by

(ii) the total salaries paid to employees in the department for the fiscal year ending June 30, 1991.

(2) Reduce the personnel budget in each category of personnel by an amount equal to the total budget reduction determined by the department for personnel reduction, times the ratio computed in clause (1).

(3) The total budget reduction is the difference between the general fund appropriation for the department and the amount recommended by the governor.

Subd. 2. [EDUCATIONAL SERVICES.]

\$7,701,000 1992

\$7,698,000 1993

\$21,000 each year is from the trunk highway fund.

\$75,000 each year is from the alcohol-impaired driver education account in the special revenue fund.

\$104,000 each year is for the academic excellence foundation.

Subd. 3. [ADMINISTRATION AND FINANCIAL SERVICES.]

\$7,023,000 1992

\$7,033,000 1993

\$1,308,000 in 1992 and \$1,304,000 in 1993 are for the education data systems section, of which \$12,000 each year is for the expenses of the ESV computer council. Any balance in the first year does not cancel and is available for the second year.

\$1,298,000 in 1992 and \$1,294,000 in 1993 are for the education finance and analysis section.

\$219,000 each year is for the state board of education.

\$200,000 each year is for contracting with the state fire marshal to provide the services required according to Minnesota Statutes, section 121.1502.

The board of teaching budget is not exempt from internal reallocations and reductions required to balance the budget of the combined agencies.

The commissioner shall maintain no more than five total complement in the categories of commissioner, deputy commissioner, assistant commissioner, assistant to the commissioner, and executive assistant.

Subd. 4. [EDUCATIONAL EFFECTIVENESS.] For educational effectiveness programs according to Minnesota Statutes, sections 121.608 and 121.609:

\$900,000 1992

\$900,000 1993

Subd. 5. [ACADEMIC EXCELLENCE FOUNDATION.] For the academic excellence foundation according to Minnesota Statutes, section 121.612:

\$260,000 1992

\$260,000 1993

Up to \$50,000 each year is contingent upon the match of \$1 in the previous year from private sources consisting of either direct monetary contributions or in-kind contributions of related goods or services, for each \$1 of the appropriation. The commissioner of education must certify receipt of the money or documentation for the private matching funds or in-kind contributions. The unencumbered balance from the amount actually appropriated from the contingent amount in 1992 does not cancel but is available in 1993. The amount carried forward must not be used to establish a larger annual base appropriation for later fiscal years.

Subd. 6. [STATE PER ASSISTANCE.] For state assistance for planning, evaluating, and reporting:

\$601,000 1992

\$601,000 1993

At least \$45,000 each year must be used to assist districts with the assurance of mastery program.

Sec. 24. [FARIBAULT ACADEMIES APPROPRIATION.]

The sums indicated in this section are appropriated from the general fund to the department of education for the Faribault Academies:

\$7,801,000 1992

\$7,773,000 1993

Any balance in the first year does not cancel and is available for the second year.

The approved complement is:

	<u>1992</u>	<u>1993</u>
<u>General fund</u>	<u>185.6</u>	<u>185.6</u>
<u>Federal</u>	<u>8.0</u>	<u>8.0</u>
<u>Total</u>	<u>193.6</u>	<u>193.6</u>

The state board of education may transfer complement among funds if necessary and must provide a listing of the transfers to the commissioner of finance at the end of each fiscal year. Material changes must be approved by the commissioner of finance and reported to the house education finance division and the senate education funding division.

The state board of education, with the approval of the commissioner of finance, may increase the complement above the approved levels if funds are available for the academies in addition to the amounts appropriated in this section.

Sec. 25. [MINNESOTA CENTER FOR ARTS EDUCATION APPROPRIATION.]

The sums indicated in this section are appropriated from the general fund to the Minnesota center for arts education for the fiscal years indicated:

\$5,064,000 1992

\$5,057,000 1993

Any balance in the first year does not cancel but is available in the second year.

The approved complement is:

	<u>1992</u>	<u>1993</u>
<u>General Fund</u>	<u>53</u>	<u>53</u>
<u>Total</u>	<u>53</u>	<u>53</u>

The complement may be increased by the number of staff currently on interchange agreements or contracts if adding these staff to the center complement will result in cost savings. The complement may also be increased if the board determines that additional complement is necessary to protect the health and safety of students.

Sec. 26. [REPEALER.]

Minnesota Statutes 1990, sections 120.104; 121.15, subdivision 10; 121.936, subdivision 5; 124.48, subdivision 2; 125.231, subdivision 6; 128B.10, subdivision 3; 128C.12, subdivision 2; 129C.10, subdivision 5; 135A.10, subdivision 2; and 136A.044, are repealed.

Laws 1989, chapter 329, article 12, section 8, is repealed.

ARTICLE 12

MAXIMUM EFFORT SCHOOL LOAN BONDS

Section 1. [124.479] [BOND ISSUE; MAXIMUM EFFORT SCHOOL LOANS, 1991.]

To provide money to be loaned to school districts as agencies and political subdivisions of the state to acquire and to better public land and buildings and other public improvements of a capital nature, in the manner provided by the maximum effort school aid law, the commissioner of finance shall issue and sell school loan bonds of the state of Minnesota in the maximum amount of \$45,065,000, in addition to the bonds already authorized for this purpose. The same amount is appropriated to the maximum effort school loan fund and must be spent under the direction of the commissioner of education to make debt service loans and capital loans to school districts as provided in sections 124.36 to 124.47. The bonds must be issued and sold and provision for their payment must be made according to section 124.46. Expenses incidental to the sale, printing, execution, and delivery of the bonds, including, but without limitation, actual and necessary travel and subsistence expenses of state officers and employees for those purposes, must be paid from the maximum

effort school loan fund, and the money necessary for the expenses is appropriated from that fund.

No bonds may be sold or issued under this section until all bonds authorized by Laws 1990, chapter 610, sections 2 to 7, are sold and issued and the authorized project contracts have been initiated or abandoned.

Sec. 2. [1991 MAXIMUM EFFORT LOANS.]

The commissioner of education shall make capital loans to independent school district No. 115, Cass Lake; independent school district No. 192, Farmington; independent school district No. 682, Roseau; independent school district No. 748, Sartell; independent school district No. 345, New London-Spicer; independent school district No. 533, Dover-Eyota; independent school district No. 95, Cromwell; and independent school district No. 255, Pine Island. Capital loans to these districts are approved.

Districts approved in a law for a maximum effort loan shall have their project plans and budgets reviewed by the commissioner to determine optimum cost efficiency. The commissioner may reduce the amount of the loans in accord with this review. Costs incurred by the commissioner for professional services associated with the review may be recovered from the districts.

Notwithstanding any law to the contrary, if the available funding is inadequate to meet the loan requests of all the approved districts, the commissioner may reduce the amount of the loan. The reduction to each district's loan must be proportionate to the approved loan amount. Capital loans must be made to all approved districts.

Except for reductions in the loans made according to this section, the amount, terms, and forgiveness of the loans are governed by Minnesota Statutes 1990, section 124.431.

Sec. 3. [BONDING AUTHORITY.]

Notwithstanding the election requirements of Minnesota Statutes, chapter 475, or any other law to the contrary, any school district with a capital loan approved in section 2 may issue general obligation bonds without an election in an amount not to exceed the difference between the state board approved capital loan project cost and the sum of the amount of the capital loan actually granted and the voter approved local bonding authority. If a project has been previously approved by the voters, changes in that project that do not change the total project cost do not require further voter approval. To pay the principal of and interest on bonds issued under this section, the school district shall levy a tax in an amount sufficient under Minnesota Statutes, section 475.61, subdivisions 1

and 3. The tax authorized under this section is in addition to any other taxes levied under Minnesota Statutes, chapter 124, 124A, or 275, or any other law.

Sec. 4. [APPROPRIATION; MAXIMUM EFFORT SCHOOL LOAN FUND.]

\$3,795,000 is appropriated from the general fund to the department of education for fiscal year 1993 for the maximum effort school loan fund. This appropriation is added to the appropriation in article 5 for this purpose. All the conditions that apply to the maximum effort school loan fund appropriation in article 5 apply to this appropriation.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to education; providing for general education revenue, transportation, special programs, community services, facilities and equipment, education organization and cooperation, other aids and levies, other education programs, miscellaneous education matters, libraries, state education agencies, maximum effort school loan bonds; authorizing the issuance of bonds; appropriating money; amending Minnesota Statutes 1990, sections 120.062, subdivisions 8a and 9; 120.08, subdivision 3; 120.101, by adding a subdivision; 120.17, subdivisions 3b, 7a, and 11a; 120.181; 120.59; 120.60; 120.61; 120.62; 120.63; 120.64; 120.65; 120.66; 120.67; 121.11, subdivision 12; 121.14; 121.148, subdivision 1; 121.15, subdivisions 7 and 9; 121.155; 121.165; 121.49, subdivision 1; 121.585, subdivision 3; 121.608; 121.609, subdivisions 2 and 3; 121.612, subdivision 9; 121.88, subdivisions 9 and 10; 121.882, subdivisions 2, 6, and by adding a subdivision; 121.904, subdivisions 4a and 4e; 121.912, by adding subdivisions; 121.917, subdivision 3; 121.931, subdivisions 6a, 7, and 8; 121.932, subdivisions 2, 3, and 5; 121.933, subdivision 1; 121.934, subdivision 7; 121.935, subdivisions 1, 4, 6, and by adding subdivisions; 121.936, subdivisions 1, 2, and 4; 121.937, subdivision 1; 122.22, subdivisions 7a and 9; 122.23, subdivisions 2 and 3; 122.241, subdivisions 1 and 2; 122.242, subdivision 9; 122.243, subdivision 2; 122.247, subdivision 3, and by adding a subdivision; 122.41; 122.531, by adding subdivisions; 122.535, subdivision 6; 122.541, subdivision 7; 122.91, subdivision 5; 122.94, subdivision 6, and by adding a subdivision; 123.34, subdivisions 9 and 10; 123.35, by adding subdivisions; 123.351, subdivision 8; 123.3514, subdivisions 3, 4, 6, 6b, 8, and by adding a subdivision; 123.38, subdivision 2b; 123.58, by adding subdivisions; 123.702; 123.744; 123.951; 124.14, subdivision 7; 124.17, subdivisions 1, 1b, and by adding subdivisions; 124.19, subdivisions 1, 7, and by adding

a subdivision; 124.195, subdivisions 9 and 11; 124.223, subdivisions 1 and 8; 124.225, subdivisions 1, 3a, 7a, 7b, 7d, 8a, 8k, 10, and by adding a subdivision; 124.26, subdivisions 1c and 2; 124.261; 124.2711; 124.2713, subdivisions 1, 3, 5, 6, and 9; 124.2721, subdivisions 2, 3, and by adding subdivisions; 124.2725, subdivisions 4, 5, 6, 8, and 10; 124.273, subdivision 1b; 124.311, subdivision 4; 124.32, subdivisions 1b and 10; 124.332, subdivisions 1 and 2; 124.493, by adding a subdivision; 124.573, subdivisions 2b and 3a; 124.574, subdivision 2b; 124.575, by adding subdivisions; 124.646; 124.6472, subdivision 1; 124.83, subdivision 4; 124.86; 124A.02, subdivisions 16 and 23; 124A.03; 124A.04; 124A.22, subdivisions 2, 3, 4, 5, 8, 9, and by adding subdivisions; 124A.23, subdivisions 1, 4, and 5; 124A.24; 124A.26, subdivision 1; 124A.29, subdivision 1; 124A.30; 124B.03, subdivision 2; 124C.03, subdivisions 2 and 16; 125.09, subdivision 4; 125.12, subdivision 3, and by adding subdivisions; 125.17, subdivision 2, and by adding subdivisions; 125.185, subdivisions 4 and 4a; 125.231; 126.113, subdivisions 1 and 2; 126.12, subdivision 1; 126.22, subdivisions 2, 3, 4, 8, and by adding subdivisions; 126.23; 126.266, subdivision 2; 126.51, subdivision 1a; 126.661, subdivision 5, and by adding a subdivision; 126.663, subdivisions 2 and 3; 126.665; 126.666, subdivision 2, and by adding subdivisions; 126.67, subdivision 2b; 126.70, subdivisions 1, 2, and 2a; 128A.02, subdivision 4; 128A.05, subdivision 3; 128B.03, subdivisions 4, 5, 7, and by adding a subdivision; 128B.04; 128B.05, subdivisions 2 and 3; 128B.06, subdivision 1; 128B.08; 128B.09; 128B.10, subdivisions 1 and 2; 128C.01, by adding a subdivision; 128C.12, subdivision 3; 128C.20; 129C.10, subdivisions 3, 3a, 4a, and 6; 134.001, subdivisions 2 and 3; 134.31, subdivision 4; 134.35; 134.351, subdivision 7; 136D.22, by adding a subdivision; 136D.29; 136D.71; 136D.72, subdivision 1; 136D.76, subdivision 2; 136D.82, by adding a subdivision; 136D.90; 141.25, subdivision 8; 141.26, subdivision 5; 145.926; 171.29, subdivision 2; 203B.085; 214.10, by adding a subdivision; 245A.03, subdivision 2; 260.015, subdivision 19; 268.08, subdivision 6; 272.02, subdivision 8; 275.065, subdivisions 3, 5a, and 6; 275.125, subdivisions 4, 5, 5b, 5c, 11d, and by adding a subdivision; 279.03, subdivision 1a; 281.17; 298.28, subdivision 4; 364.09; 475.61, subdivision 3; and 631.40; Laws 1989, chapter 329, article 4, section 20; and article 6, section 53, subdivision 6, as amended; proposing coding for new law in Minnesota Statutes, chapters 3; 120; 121; 122; 123; 124; 124C; 125; 127; 128B; 129C; 134; 136D; 171; 373; and 473; repealing Minnesota Statutes 1990, sections 3.865; 3.866; 120.011; 120.104; 120.105; 121.111; 121.15, subdivision 10; 121.91, subdivision 7; 121.932, subdivision 1; 121.933, subdivision 2; 121.935, subdivisions 3 and 5; 121.936, subdivision 5; 121.937, subdivision 2; 122.43, subdivision 1; 122.531, subdivision 5; 122.945, subdivision 4; 123.3514, subdivisions 6 and 6b; 123.706; 123.707; 123.73; 123.744; 124.225, subdivisions 3, 4b, 7c, 8b, 8i, and 8j; 124.252; 124.26, subdivisions 7 and 8; 124.2713, subdivision 4; 124.2721, subdivision 3a; 124.48, subdivision 2; 124.493, subdivision 2; 124.535, subdivision 3a; 124A.02, subdivision 19; 124C.01, subdivision 2; 124C.02; 124C.41, subdivisions 6 and 7; 125.231, subdivision 6; 128B.01; 128B.03, subdivisions 3 and

8; 128B.07; 128B.10, subdivision 3; 128C.12, subdivision 2; 129C.10, subdivision 5; 135A.10, subdivision 2; 136A.044; 136D.27, subdivision 1; 136D.28; 136D.30; 136D.74, subdivision 2; 136D.87, subdivision 1; 136D.89; 136D.91; and 275.125, subdivisions 8b, 8c, and 8d; Laws 1989, chapter 329, article 12, section 8."

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

House Conferees: KEN NELSON, JERRY J. BAUERLY, BECKY KELSO AND GARY SCHAFER.

Senate Conferees: RONALD R. DICKLICH, GREGORY L. DAHL, GARY M. DECRAMER AND SANDRA L. PAPPAS.

Olsen, S.; Knickerbocker and Abrams moved that the House refuse to adopt the Conference Committee report on H. F. No. 700, that the current House Conference Committee be discharged, that the Speaker appoint a new Conference Committee, and that the bill be returned to Conference Committee.

A roll call was requested and properly seconded.

Long requested a division of the Olsen, S., et al motion relating to the Conference Committee Report on H. F. No. 700.

The first portion of the Olsen, S., et al motion reads as follows:

Olsen, S.; Knickerbocker and Abrams moved that the House refuse to adopt the Conference Committee report on H. F. No. 700.

A roll call was requested and properly seconded.

The question was taken on the first portion of the Olsen, S., et al motion and the roll was called. There were 60 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Abrams	Cooper	Jaros	Lieder	Orenstein
Anderson, I.	Davids	Jefferson	Lourey	Orfield
Anderson, R.	Dorn	Johnson, A.	Macklin	Ozment
Anderson, R. H.	Erhardt	Johnson, R.	McEachern	Pellow
Battaglia	Farrell	Kalis	McGuire	Pelowski
Beard	Garcia	Kinkel	Milbert	Peterson
Begich	Goodno	Knickerbocker	Murphy	Pugh
Bodahl	Hanson	Krinkie	Nelson, S.	Rest
Carlson	Hartle	Krueger	O'Connor	Rice
Clark	Henry	Leppik	Olsen, S.	Rukavina

Sarna
SeabergSegal
SmithSolberg
SparbyStanius
TrimbleWenzel
Winter

Those who voted in the negative were:

Bauerly	Greenfield	Koppendraye	Osthoff	Thompson
Bertram	Gruenes	Lasley	Ostrom	Tompkins
Bettermann	Gutknecht	Long	Pauly	Tunheim
Blatz	Haukoos	Lynch	Reding	Uphus
Boo	Hausman	Mariani	Rodosovich	Vellenga
Carruthers	Heir	Marsh	Runbeck	Wagenius
Dauner	Hufnagle	McPherson	Schafer	Waltman
Dawkins	Hugoson	Munger	Scheid	Weaver
Dempsey	Janezich	Nelson, K.	Simoneau	Wejcmán
Dille	Jennings	Ogren	Skoglund	Welker
Frederick	Johnson, V.	Olson, K.	Steensma	Welle
Frerichs	Kahn	Omann	Swiggum	Spk. Vanasek
Girard	Kelso	Onnen	Swenson	

The motion did not prevail and the first portion of the Olsen, S., et al motion was not adopted.

Olsen, S., withdrew the second portion of the Olsen, S., et al motion relating to the Conference Committee Report on H. F. No. 700.

Anderson, R., and Bishop were excused while in conference.

Nelson, K., moved that the report of the Conference Committee on H. F. No. 700 be adopted and that the bill be repassed as amended by the Conference Committee.

POINT OF ORDER

Stanius raised a point of order pursuant to rule 6.11 relating to Conference Committees that the report of the Conference Committee on H. F. No. 700 was not in order. The Speaker ruled the point of order not well taken.

The question recurred on the Nelson, K., motion that the report of the Conference Committee on H. F. No. 700 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 700, A bill for an act relating to education; providing for general education revenue; transportation; special programs; community service programs; facilities and equipment; other aids and levies; miscellaneous education related programs; library programs; education agency services; art education programs; maximum effort school loan programs; authorizing bonding; appropriating money; amending Minnesota Statutes 1990, sections 120.08, subdivision 3;

120.101, subdivisions 5, 9, and by adding a subdivision; 120.17, subdivisions 3b and 7a; 120.181; 121.11, subdivision 12; 121.148, subdivision 1; 121.15, subdivisions 7 and 9; 121.155; 121.585, subdivision 3; 121.611, subdivision 2; 121.88, subdivisions 9 and 10; 121.882, subdivisions 2, 6, and by adding a subdivision; 121.904, subdivisions 4a and 4e; 121.912, by adding a subdivision; 122.22, subdivisions 7a and 9; 122.23, subdivisions 2 and 3; 122.242, subdivision 9; 122.531, by adding subdivisions; 122.535, subdivision 6; 123.33, subdivision 1; 123.34, subdivision 9; 123.35, subdivisions 8, 17, and by adding a subdivision; 123.3514, subdivisions 3, 4, 4c, and by adding a subdivision; 123.38, subdivision 2b; 123.702; 123.951; 124.155, subdivision 2; 124.17, subdivisions 1 and 1b; 124.175; 124.19, subdivisions 1, 7, and by adding a subdivision; 124.195, subdivisions 9, 11, and 12; 124.223, subdivisions 1 and 8; 124.225, subdivisions 1, 3a, 7a, 7b, 7d, 8a, 8k, 10, and by adding a subdivision; 124.26, subdivisions 1c and 2; 124.261; 124.2711, subdivisions 1 and 3; 124.2721, subdivisions 1, 2, and 3; 124.2725, subdivisions 6 and 13; 124.273, subdivision 1b; 124.311, subdivision 4; 124.32, subdivisions 1b and 10; 124.332, subdivisions 1 and 2; 124.431, by adding a subdivision; 124.573, subdivisions 2b and 3a; 124.574, subdivision 2b; 124.575, subdivisions 1, 2, 3, and 4; 124.646; 124.83, subdivision 4; 124.86, subdivision 2; 124A.03; 124A.04; 124A.22, subdivisions 2, 4, 5, 8, 9, and by adding subdivisions; 124A.23, subdivisions 1, 4, and 5; 124A.24; 124A.26, subdivision 1; 124A.29, subdivision 1; 124A.30; 124C.03, subdivision 2; 125.12, subdivisions 3, 6b, and by adding subdivisions; 125.17, subdivision 2, and by adding subdivisions; 125.185, subdivisions 4 and 4a; 125.231; 126.22, subdivisions 2 and 4; 126.23; 126.266, subdivision 2; 126.661, subdivision 5, and by adding a subdivision; 126.663, subdivision 2; 126.666, subdivision 2, and by adding subdivisions; 126.67, subdivision 2b; 126.70, subdivisions 1, 2, and 2a; 127.29, by adding a subdivision; 128A.05, subdivision 3; 129C.10; 136D.27, subdivisions 1, 2, and 3; 136D.72, subdivision 1; 136D.74, subdivisions 2, 2a, and 2b; 136D.76, subdivision 2; 136D.87, subdivisions 1, 2, and 3; 141.25, subdivision 8; 141.26, subdivision 5; 145.926; 148.191, subdivision 2; 171.29, subdivision 2; 245A.03, subdivision 2; 260.015, subdivision 19; 268.08, subdivision 6 273.1398, subdivision 6; 275.06; 275.125, subdivisions 4, 5, 5b, 5c, 8b, 8e, and 11d, and by adding a subdivision; 298.28, subdivision 4; Laws 1989, chapter 329, article 6, section 53, as amended; proposing coding for new law in Minnesota Statutes, chapters 3; 120; 121; 123; 124; 125; 134; 373; 473; repealing Minnesota Statutes 1990, sections 3.865; 3.866; 120.011; 121.111; 122.531, subdivision 5; 123.351, subdivision 10; 123.706; 123.707; 123.744; 124.225, subdivisions 3, 4b, 7c, 8b, 8i, 8j; 124.252; 124.575; 124C.01, subdivision 2; 124C.41, subdivisions 6 and 7; 126.70, subdivisions 2 and 2a; 275.125, subdivision 8c; and Laws 1988, chapter 703, article 1, section 23, as amended; Laws 1989, chapter 293, section 82; Laws 1989, chapter 329, articles 4, section 40; 9, section 30; and 12, section 8; Laws 1990, chapter 562, article 6, section 36.

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 85 yeas and 45 nays as follows:

Those who voted in the affirmative were:

Bauerly	Goodno	Koppendrayer	Onnen	Sparby
Begich	Greenfield	Krueger	Osthoff	Steensma
Bertram	Gruenes	Lasley	Ostrom	Sviggum
Bettermann	Gutknecht	Lieder	Ozment	Swenson
Bodahl	Hartle	Limmer	Fellow	Thompson
Brown	Hasskamp	Long	Peterson	Tompkins
Carruthers	Haukoos	Lourey	Reding	Trimble
Clark	Hausman	Lynch	Rest	Tunheim
Cooper	Heir	Macklin	Rice	Uphus
Dauner	Jacobs	Mariani	Rodosovich	Veilenga
Dawkins	Janezich	Marsh	Rukavina	Wagenius
Dempsey	Johnson, A.	Munger	Runbeck	Waltman
Dille	Johnson, V.	Nelson, K.	Schafer	Weaver
Dorn	Kahn	Ogren	Scheid	Welker
Frederick	Kalis	Olson, E.	Schreiber	Welle
Frerichs	Kelso	Olson, K.	Seaberg	Winter
Girard	Kinkel	Omann	Simoneau	Spk. Vanasek

Those who voted in the negative were:

Abrams	Erhardt	Johnson, R.	Murphy	Pugh
Anderson, I.	Farrell	Knickerbocker	Nelson, S.	Sarna
Anderson, R. H.	Garcia	Krinkie	Newinski	Segal
Battaglia	Hanson	Leppik	O'Connor	Smith
Beard	Henry	McEachern	Olsen, S.	Solberg
Blatz	Hufnagle	McGuire	Orenstein	Stanius
Boo	Hugoson	McPherson	Orfield	Valento
Carlson	Jaros	Milbert	Pauly	Wejcmán
Davids	Jefferson	Morrison	Pelowski	Wenzel

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

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following 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. 354, A bill for an act relating to natural resources;

providing a deadline for the legislative task force on minerals to submit its report; extending the availability of its appropriation.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 540, A bill for an act relating to crimes; regulating the display of handgun ammunition; proposing coding for new law in Minnesota Statutes, chapter 609.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1109, A bill for an act relating to economic development; creating Advantage Minnesota, Inc.; requiring a report to the legislature; proposing coding for new law in Minnesota Statutes, chapter 116J.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1129, A bill for an act relating to agriculture; regulating genetically engineered plants, pesticides, fertilizers, soil amendments, and plant amendments; rules of the environmental quality board governing release of genetically engineered organisms; reimbursement of release permit costs; imposing a penalty; amending Minnesota Statutes 1990, sections 18B.01, by adding subdivisions; 18C.005, by adding subdivisions; 18C.425, by adding a subdivision; 18D.01, subdivisions 1 and 9; 18D.301, subdivisions 1 and 2; 18D.325, subdivisions 1 and 2; 18D.331, subdivisions 1, 2, and 3; 116C.91, by adding a subdivision; and 116C.94; proposing coding for new law in Minnesota Statutes, chapters 18B; 18C; and 116C; proposing coding for new law as Minnesota Statutes, chapter 18F.

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. 126, A bill for an act relating to highways; designating the Paul Bunyan Expressway from Little Falls through Cass Lake to Bemidji; amending Minnesota Statutes 1990, section 161.14, by adding a subdivision.

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. 683, A bill for an act relating to alcoholic beverages; prohibiting a retailer from having an interest in a manufacturer, brewer, or wholesaler; prohibiting a retailer from renting space to a manufacturer, brewer, or wholesaler; providing that brand registration is for a three-year period; specifying that club on-sale licenses are subject to approval of the commissioner of public safety; consolidating provisions of law relating to seasonal on-sale licenses; providing extended duration of seasonal licenses in certain counties; removing certain restrictions on location of off-sale and combination licenses issued by counties; clarifying law on issuance of off-sale licenses by counties; allowing gambling on licensed premises when governed by tribal ordinance or a tribal-state compact; clarifying language on certain prohibitions on issuance of multiple licenses and repealing obsolete provisions relating thereto; prohibiting off-site storage of intoxicating liquor; specifying applicability of license limits to certain fourth-class cities; changing the expiration date for consumption and display permits; raising the minimum age for keeping intoxicating liquor in bottle clubs; authorizing commissioner of public safety to impose civil penalties for conducting or permitting unlawful gambling on licensed premises, or for failure to remove impure products; specifying applicability to municipal liquor stores of prohibitions against permitting consumption of alcoholic beverages by underage persons; clarifying language on sales of intoxicating liquor on Christmas day; providing for Sunday liquor elections in counties; prohibiting sale of certain beverages of more than 50 percent alcohol content; authorizing commissioner of public safety to inspect alcoholic beverages for purity of contents and to order the removal of impure products; specifying that a split liquor referendum is not required for issuance of club licenses; repealing restrictions on wine sales at Minneapolis-St. Paul International

Airport; authorizing issuance of an on-sale intoxicating malt liquor license in St. Louis county; authorizing the issuance of an on-sale intoxicating liquor license to a location in Duluth; amending Minnesota Statutes 1990, sections 340A.301, subdivision 7; 340A.311; 340A.402; 340A.404, subdivisions 1 and 6; 340A.405, subdivisions 2 and 6; 340A.408, subdivision 2; 340A.410, subdivision 5; 340A.412, subdivisions 2, 3, and by adding a subdivision; 340A.413, subdivision 1; 340A.414, subdivisions 4 and 8; 340A.415; 340A.503, subdivision 1; 340A.504, subdivisions 2 and 3; 340A.506; 340A.508, by adding a subdivision; 340A.601, subdivision 5; and 340A.604; proposing coding for new law in Minnesota Statutes, chapter 340A; repealing Minnesota Statutes 1990, section 340A.404, subdivision 6a.

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. 2, A bill for an act relating to health care; creating a bureau of health care access; establishing the Minnesotans' health care plan; establishing an office of rural health; requiring rural health initiatives; requiring data and research initiatives; restricting underwriting and premium rating practices; providing a health insurance plan for small employees; requiring initiatives related to health professional education; appropriating money; amending Minnesota Statutes 1990, sections 16A.124, subdivision 4; 43A.17, subdivision 9; 43A.23, by adding a subdivision; 136A.1355, subdivisions 2 and 3; 144.147, subdivisions 1 and 4; 144.581, subdivision 1; 144.698, subdivision 1; 144.8093; 145.61, subdivision 5; 145.64; 176.011, subdivision 9; 256.969, subdivision 6a; 290.01, subdivision 19b; and 447.31, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapters 16B; 62A; 62J; 144; and 144A; proposing coding for new law as Minnesota Statutes, chapter 62K.

The Senate has appointed as such committee:

Mses. Berglin and Piper; Messrs. Luther, Merriam and Johnson, D. E.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 143, A bill for an act relating to appropriations; removing certain directions, limits, and provisos on the use of money for certain projects; amending Laws 1990, chapter 610, article 1, section 9, subdivision 1.

The Senate has appointed as such committee:

Messrs. Samuelson, Vickerman and Renneke.

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. 218, A bill for an act relating to occupations and professions; requiring residential building contractors, remodelers, and specialty contractors to be licensed by the state; establishing a builders state advisory council; providing penalties; appropriating money; amending Minnesota Statutes 1990, section 45.027, subdivisions 1, 2, 5, 6, 7, and 8; proposing coding for new law in Minnesota Statutes, chapter 326.

The Senate has appointed as such committee:

Messrs. Dahl, Waldorf and Larson.

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. 303, A bill for an act relating to waste management; making changes to state and local government responsibility and

authority for waste management; placing emphasis on waste reduction and recycling; adjusting waste facility siting processes; amending Minnesota Statutes 1990, sections 3.195, subdivision 1; 16B.122; 16B.61, subdivision 3a; 115A.02; 115A.03, subdivision 17a; 115A.06, subdivision 2; 115A.14, subdivision 4; 115A.15, subdivisions 7 and 9; 115A.151; 115A.411, subdivision 1; 115A.46, subdivision 1, and by adding a subdivision; 115A.49; 115A.53; 115A.551, subdivisions 1 and 4; 115A.552, subdivisions 1, 2, and by adding a subdivision; 115A.554; 115A.557, subdivision 4; 115A.64, subdivision 2; 115A.67; 115A.83; 115A.84, subdivision 2; 115A.86, subdivision 5, and by adding a subdivision; 115A.882; 115A.9162, subdivision 2; 115A.919; 115A.923, subdivisions 1 and 1a; 115A.931; 115A.94, subdivision 4; 115A.9561; 115A.96, subdivision 6; 115B.04, subdivision 4; 115B.22, subdivision 8; 116.07, subdivision 4j; 325E.042, subdivision 2; 325E.115, subdivision 1; 325E.1151, subdivision 3; 400.08, subdivision 1; 473.803, subdivision 2; 473.811, subdivisions 1, 3, and 5; 473.823, subdivision 5; 473.845, subdivision 4; 473.848, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 115A; 116; 325E; and 473; repealing Minnesota Statutes 1990, sections 16B.125; 325E.045; and 473.844, subdivision 3; Laws 1989, chapter 325, section 72, subdivision 2.

The Senate has appointed as such committee:

Messrs. Merriam and Marty; Ms. Olson; Messrs. Dahl and Mondale.

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. 694, A bill for an act relating to the environment; establishing an environmental enforcement account; establishing a field citation pilot project for unauthorized disposal of solid waste; authorizing background investigations of environmental permit applicants; expanding current authority to impose administrative penalties for air and water pollution and solid waste management violations; imposing criminal penalties for knowing violations of standards related to hazardous air pollutants and toxic pollutants in water; providing that certain property is subject to forfeiture in connection with convictions for water pollution and air pollution violations; imposing criminal penalties for unauthorized disposal of solid waste; authorizing prosecution of environmental crimes by the attorney general; providing for environmental restitution as part of

a sentence; increasing criminal penalties for false statements on documents related to permits and record keeping; requiring reports; appropriating money; amending Minnesota Statutes 1990, sections 18D.331, subdivision 4; 115.071, by adding a subdivision; 115.072; 115C.05; 116.07, subdivision 4d; 116.072, subdivisions 1, 2, 6, 10, and 11; 609.531, subdivision 1; and 609.671; proposing coding for new law in Minnesota Statutes, chapters 115 and 116.

The Senate has appointed as such committee:

Messrs. Riveness, Cohen and Mondale.

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. 598, A bill for an act relating to transportation; establishing state transportation goals and requiring periodic revisions of the state transportation plan; directing a study of rail-highway grade crossings; establishing penalties for violations of grade crossing safety laws; authorizing the commissioner of transportation to make grants and loans for the improvement of commercial navigation facilities; establishing special categories of roads and highways; authorizing local units of government to advance funds for the completion of highway projects; authorizing road authorities to enter into agreements for the construction, maintenance, and operation of toll facilities; creating a transportation services fund; specifying percentage of unrefunded motor fuel tax revenue that is attributable to use on forest roads; authorizing the use of local bridge grant funds to construct drainage structures; requiring the commissioner of transportation to include light rail transit facilities in the design for reconstruction of interstate highways I-94 and I-35W; requiring a report on metropolitan transportation development and transit development consistent with the report; authorizing the commissioner of transportation to plan, acquire, construct, and equip light rail transit facilities; creating a light rail transit joint powers board; establishing a paratransit advisory council; authorizing transportation research; directing a study of highway corridors; extending the transportation study board and specifying duties; appropriating money; amending Minnesota Statutes 1990, sections 162.02, subdivision 3a; 162.09, subdivision 3a; 162.14, subdivision 6; 169.14, by adding a subdivision; 169.26; 171.13, subdivision 1, and by adding a subdivision; 173.13, subdivision 4; 174.01; 174.03, subdivision 2, and by adding a subdivision; 219.074, by adding a subdivision; 219.402; 296.16, subdivision 1a; 296.421, subdivision 8; 299D.03, subdivision 5; 473.373, subdivision 4a;

473.3993, subdivisions 2 and 3, and by adding a subdivision; 473.3994; and 473.3996; Laws 1990, chapter 610, article 1, section 13, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 3; 160; 161; 162; 174; 219; and 473; proposing coding for new law as Minnesota Statutes, chapters 161; 457A; and 473; repealing Laws 1989, chapter 339, section 21.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Langseth, DeCramer and Mehrkens; Meses. Flynn and Pappas.

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

Lasley 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. 598. The motion prevailed.

Mr. Speaker:

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

S. F. No. 1533.

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. 1533

A bill for an act relating to the organization and operation of state government; appropriating money for the protection of the state's environment and natural resources; amending Minnesota Statutes 1990, sections 14.18; 41A.09, subdivision 3; 85A.02, subdivision 17; 103B.321, subdivision 1; and 116P.11.

May 18, 1991

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. 1533, 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. 1533 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
APPROPRIATIONS

Section 1. [ENVIRONMENT AND NATURAL RESOURCES;
APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another fund named, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures "1991," "1992," and "1993," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1991, June 30, 1992, or June 30, 1993, respectively.

SUMMARY BY FUND

	1992	1993	TOTAL
General	\$143,129,500	\$139,929,500	\$283,059,000
Environmental	17,740,000	19,687,000	37,427,000
Metro Landfill			
Contingency Trust	1,663,000	797,000	2,460,000
Special Revenue	1,040,000	1,040,000	2,080,000
Natural Resources	18,612,000	17,334,000	35,946,000
Game and Fish	49,609,000	50,733,000	100,342,000
Permanent School			
Trust	565,000	635,000	1,200,000

6636

JOURNAL OF THE HOUSE

[57th Day

Minnesota Resources	16,534,000	-0-	16,534,000
Environmental Trust	14,960,000	-0-	14,960,000
Oil Overcharge	3,500,000	-0-	3,500,000
TOTAL	267,352,500	230,155,500	497,508,000

APPROPRIATIONS
Available for the Year
Ending June 30
1992 1993

Sec. 2. POLLUTION CONTROL
AGENCY

Subdivision 1. Total Appropriation	30,884,000	30,013,000
	1992	1993
Approved Complement -	700	685
General -	185	160
Environmental -	205	215
Federal -	235	235
Metro Landfill Contingency -	2	2
Special Revenue -	73	73

Summary by Fund

General	11,603,000	9,651,000
Environmental	16,763,000	18,710,000
Metro Landfill Contingency	1,663,000	797,000
Special Revenue	855,000	855,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Water Pollution Control

7,162,000	5,588,000
-----------	-----------

1992 1993
\$ \$

Summary by Fund

General	5,275,000	3,633,000
Environmental	1,887,000	1,955,000

\$1,280,000 the first year is for grants to local units of government for the clean water partnership program. Any unencumbered balance remaining in the first year does not cancel and is available for the second year of the biennium.

\$100,000 the first year is for grants to municipalities who have experienced catastrophic failure of wastewater treatment facilities resulting from unstable geological formations and which required immediate action to avoid impacts to drinking water supplies.

\$250,000 the first year is for a grant to the Western Lake Superior Sanitary Sewer District for the payment of debt service.

Subd. 3. Air Pollution Control

4,626,000	5,866,000
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Summary by Fund

General	454,000	-0-
Environmental	3,317,000	5,011,000
Special Revenue	855,000	855,000

Subd. 4. Groundwater and Solid Waste Pollution Control

10,038,000	9,366,000
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Summary by Fund

General	2,124,000	2,313,000
Environmental	6,259,000	6,264,000

Metro Landfill

Contingency	1,655,000	789,000
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All money in the environmental response, compensation, and compliance account in the environmental fund not otherwise appropriated is appropriated

1992

1993

\$

\$

to the commissioner of finance for transfer to the pollution control agency and the commissioner of agriculture for purposes of Minnesota Statutes, section 115B.20, subdivision 2, clauses (1), (2), (3), (4), (11), (12), and (13). This appropriation is available until June 30, 1993.

\$1,000,000 the first year and \$1,000,000 the second year are appropriated from the motor vehicle transfer account for transfer to the environmental response, compensation, and compliance account in the environmental fund.

All money in the metropolitan landfill abatement account in the environmental fund not otherwise appropriated is appropriated to the pollution control agency for payment to the metropolitan council and may be used by the council for the purposes of Minnesota Statutes, section 473.844. The council shall report to the legislative commission on waste management its budget and work program for spending this appropriation.

Any unencumbered balance from the metropolitan landfill contingency action trust fund remaining in the first year does not cancel but is available for the second year.

\$92,000 the first year and \$127,000 the second year is for a grant to the department of administration for assistance in funding a central materials recovery facility. Any unencumbered balance at the end of the first year does not cancel and is available for the second year.

Subd. 5. Hazardous Waste Pollution Control

4,993,000 5,095,000

	1992	1993
	\$	\$
Summary by Fund		
General	1,786,000	1,782,000
Environmental	3,207,000	3,313,000

Subd. 6. Regional Support Environmental

	52,000	52,000
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The commissioner shall prepare a study on regionalization for presentation to the chairs of the house and senate committees on governmental operations, the house appropriations committee and the senate finance committee by January 15, 1992. The study shall identify options and costs associated with relocating specific agency functions to locations other than the agency's central office. The report shall identify the specific functions that would be relocated, the rationale used for selecting these specific functions for relocation, the geographic areas of the state that would receive these functions, the numbers of personnel involved in the relocation, the impact on service to the public of the proposed relocations, an implementation strategy for the proposed plan and the costs associated with the regionalization of these functions in comparison to the savings, if any, accrued from the relocation.

Subd. 7. General Support

	5,250,000	5,343,000
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Summary by Fund

General	2,104,000	2,123,000
Environmental	2,041,000	2,115,000
Metro Landfill		
Contingency	8,000	8,000

Subd. 8. General Reduction

	(140,000)	(200,000)
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	1992	1993
	\$	\$
Sec. 3. OFFICE OF WASTE MANAGEMENT	20,783,000	20,525,000

	1992	1993
Approved Complement -	53	53
General -	49	49
Environmental --	3	3
Federal -	1	1

Summary by Fund

General	19,936,000	19,678,000
Environmental	847,000	847,000

\$14,008,000 the first year and \$14,008,000 the second year are for SCORE block grants to counties.

\$250,000 the first year is to develop markets for mixed municipal solid waste compost and to improve model operations at existing mixed municipal solid waste composting facilities that will improve the marketability of the compost product. This appropriation is available only as matched by an equal amount of private money. Any unencumbered balance remaining in the first year does not cancel and is available for the second year of the biennium.

The director, in cooperation with the pollution control agency and the legislative commission on waste management shall study mechanisms for assessing the costs of waste disposal to the source of particular types of waste based on the impact that the particular waste has on the waste stream and the environment. The study should develop recommendations for a fee structure and identify the costs associated with implementing a fee structure for disposal based on the type of waste being disposed. A report shall be submitted to the legislative commission on waste

	1992	1993
	\$	\$
management for consideration by January 1992.		
Sec. 4. ZOOLOGICAL BOARD	8,971,000	8,826,000
	1992	1993
Approved Complement -	159	159
General -	141	141
Special Revenue -	15	15
Gift -	3	3

\$125,000 in the first year is for major maintenance. In addition, any revenue received from the proposed bird amphitheater admissions sales during fiscal year 1993, beyond the first \$400,000 in revenue from this particular revenue source is available for use by the board for major maintenance until expended.

Sec. 5. NATURAL RESOURCES

Subdivision 1. Total Appropriation	147,088,000	146,384,000
	1992	1993
Agency Approved -		
Full-Time Equivalency	2,721	2,721

Summary by Fund

General	78,302,000	77,682,000
Game and Fish	49,609,000	50,733,000
Natural Resources	18,612,000	17,334,000
Permanent School	565,000	635,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Of the total amount appropriated to the commissioner by this act, no more than \$99,500,000 the first year and \$99,000,000 the second year may be used for salary related expenses unless adjusted in accordance with the provisions of Minnesota Statutes, section 16A.123, subdivision 5.

	\$	1992	\$	1993
Subd. 2. Mineral Resources Management				
		5,295,000		5,272,000

\$325,000 the first year and \$325,000 the second year are for iron ore cooperative research, of which \$200,000 the first year and \$200,000 the second year are available only as matched by \$1 of nonstate money for each \$1 of state money. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$844,000 the first year and \$826,000 the second year are for mineral diversification. Any unencumbered balance remaining in the first year does not cancel but is available for the second year. The commissioner is authorized one position in the unclassified service for minerals diversification.

Subd. 3. Water Resources Management

	8,641,000	7,965,000
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Summary by Fund

General	8,544,000	7,866,000
Natural Resources	97,000	99,000

\$1,107,000 the first year and \$1,106,000 the second year are available for shoreland management grants to include \$85,000 each year of the biennium for a grant to the North Shore Management Board. Pursuant to existing law and department rules, the metropolitan area shall be considered in distribution of these funds. The unencumbered balance at the end of the first year does not cancel and is available for the second year.

\$75,000 the first year and \$75,000 the second year is to conduct the stream maintenance program under Minne-

1992

1993

\$

\$

sota Statutes, section 103G.701. Any unencumbered balance remaining in the first year does not cancel and is available for the second year of the biennium.

\$10,000 the first year is available for stream stabilization on the Snake River.

\$135,000 of this appropriation in the first year is from the general fund for a loan to the city of Fridley for the purpose of reconstructing the Locke Lake dam pursuant to Minnesota Statutes, section 103G.511, subdivision 10. Notwithstanding Minnesota Statutes, section 103G.511, subdivision 10, clause (e), principal and interest payments received by the commissioner of finance in repayment of the loan shall be deposited in the general fund.

\$150,000 of this appropriation is for a grant to the city of Fridley for the purpose of reconstructing the Locke Lake dam.

Subd. 4. Forest Management

23,155,000 23,311,000

\$750,000 the first year and \$750,000 the second year are for emergency fire fighting. Of this amount, \$500,000 the first year and \$550,000 the second year are for presuppression costs of emergency fire fighting and are not subject to transfer. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. If these appropriations are insufficient to cover all costs of suppression, the amount necessary to pay for emergency firefighting expenses during the biennium is appropriated from the general fund.

\$343,000 the first year and \$343,000 the second year are for grants to the

1992

1993

\$

\$

University of Minnesota College of Natural Resources. \$147,000 of this amount each year is for hybrid aspen and hybrid larch research and development at the North Central Experiment Station at Grand Rapids. \$196,000 of this amount each year is for the paper science and recycling program.

\$120,000 the first year and \$120,000 the second year from the general fund under Minnesota Statutes, section 89.04, are for grants to the board of water and soil resources for cost-sharing with landowners in the state forest improvement program. This appropriation is not subject to any budget reductions made in the agency.

\$385,000 from the forest nursery account in the special revenue fund may be spent for necessary construction at Badoura nursery.

\$25,000 the first year and \$25,000 the second year are for county forest management grants.

Subd. 5. Parks and Recreation Management

19,840,000	19,802,000
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Summary by Fund

General	19,256,000	19,213,000
Natural Resources	584,000	589,000

\$584,000 the first year and \$589,000 the second year are from the water recreation account in the natural resources fund for state park development projects. If the appropriation in either year is insufficient, the appropriation for the other year is available for it.

As cash flow permits, \$800,000 the first year and \$350,000 the second year are

	1992	1993
	\$	\$

transferred from the state parks working capital account in the special revenue fund to the general fund and are appropriated for state park resource management and interpretive programs. No money shall be spent on the resource management or interpretive programs until all expenses attributable to the revenue producing program have been covered.

The commissioner shall operate pumping facilities at Hill Annex Mine state park sufficient to maintain a water level not to exceed the height of the area known as "pocket A" for the duration of the biennium to assess the pumping and operational costs associated with maintaining this water level. The commissioner shall report the projected pumping and operational costs of maintaining this level to the legislature no later than January 1, 1993.

\$60,000 and three full-time equivalent positions the first year and \$60,000 and three full-time equivalent positions the second year are for an increase in the state park planning effort.

Subd. 6. Trails and Waterways

10,993,000	11,095,000
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Summary by Fund

General	1,229,000	1,227,000
Game and Fish	750,000	770,000
Natural Resources	9,014,000	9,098,000

\$2,248,000 the first year and \$2,248,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for snowmobile grants-in-aid.

\$250,000 the first year and \$250,000 the second year are from the water recreation account in the natural resources fund for a safe harbor program

	1992	1993
	\$	\$

on Lake Superior. Any unencumbered balance at the end of the first year does not cancel and is available for the second year.

The commissioner shall submit recommendations to the legislature before January 1, 1992, concerning the snowmobile account, its continuing viability, and the grants made to local governments from the snowmobile account for grants-in-aid trail operations and maintenance equipment. The recommendations should address, at a minimum, ways to ensure funding for trail-grooming equipment and the appropriateness of the present formula dedicating a share of the unrefunded gas tax to the snowmobile account.

Subd. 7. Fish and Wildlife Management

35,653,000	36,323,000
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Summary by Fund

General	2,770,000	2,763,000
Game and Fish	31,078,000	31,707,000
Natural Resources	1,805,000	1,853,000

\$874,000 in the first year and \$874,000 the second year are appropriated from the game and fish fund for payments to counties in lieu of taxes on acquired wildlife lands and is not subject to transfer.

\$1,367,000 the first year and \$1,404,000 the second year are from the nongame wildlife management account in the natural resources fund for the purpose of nongame wildlife management. Any unencumbered balance remaining in the first year does not cancel but is available the second year. The commissioner of natural resources shall submit to the legislature by January 15, 1992, a budget request to

	1992	1993
	\$	\$

spend any excess receipts from the non-game checkoff.

\$130,000 the first year and \$130,000 the second year are for deer and bear management to include emergency deer feeding. If the appropriation for either year is insufficient, the appropriation for the other year is available.

\$175,000 and three full-time equivalent positions each year is from the game and fish fund for an additional deer habitat improvement program and shall not be considered as part of the budget base for the 1994-1995 biennium.

\$100,000 the first year and \$100,000 the second year are from the game and fish fund for special hunt opportunities.

\$50,000 the first year and \$50,000 the second year are from the game and fish fund to coordinate the North American waterfowl management plan.

\$100,000 the first year and \$100,000 the second year are from the game and fish fund for accelerated wild turkey management.

\$200,000 the first year and \$200,000 the second year are from the game and fish fund for lake and stream management.

\$50,000 the first year and \$50,000 the second year are from the game and fish fund for an accelerated wildlife lakes survey.

\$120,000 the first year is from the game and fish fund for the Heron Lake and Swan Lake projects. Any unencumbered balance remaining in the first

	1992	1993
	\$	\$
year does not cancel and is available for the second year of the biennium.		

\$140,000 each year is appropriated from the game and fish fund for the aquatic education program. One-half of the funds expended must be in the seven-county metropolitan area.

\$1,651,000 the first year and \$1,644,000 the second year are for the reinvest in Minnesota programs of game and fish, critical habitat, and wetlands, established under Minnesota Statutes, section 84.95, subdivision 2. Any unencumbered balance for the first year does not cancel but is available for use the second year.

The commissioner, in cooperation with the commissioner of agriculture shall study and make recommendations to the legislature by January 1, 1993, for a program for providing assistance to farmers for crop damage caused by wild animals.

The commissioner may not allow a shooting range to be constructed at the Carlos Avery Wildlife Management area unless a proposal is submitted to the legislature for approval.

Subd. 8. *Enforcement*

	14,349,000	14,616,000
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Summary by Fund

General	2,226,000	2,220,000
Game and Fish	9,556,000	9,800,000
Natural Resources	2,567,000	2,596,000

\$1,125,000 the first year and \$1,125,000 the second year are from the water recreation account in the natural resources fund for grants to counties for boat and water safety.

1992

1993

\$

\$

The commissioner shall evaluate the number of metropolitan conservation officer stations in relation to the population and need in the metropolitan area and make recommendations to the legislature for appropriate readjustment of assignments by January 1, 1992.

Subd. 9. Field Operations Support

12,136,000 10,863,000

Summary by Fund

General	5,145,000	5,168,000
Game and Fish	4,511,000	4,636,000
Natural Resources	1,915,000	424,000
Permanent School	565,000	635,000

\$565,000 the first year and \$667,000 the second year are for land sale costs under Minnesota Statutes, section 92.67, subdivision 3. Any unencumbered balance remaining in the first year does not cancel and is available for the second year.

Any unencumbered balance remaining in the appropriation under Minnesota Statutes, section 92.46, subdivision 1, paragraph (d), in the first year does not cancel and is available for the second year.

\$1,500,000 for the biennium is from the land acquisition account in the natural resources fund and is for acquisition costs associated with Tettegouche state park, Glendalough state park, and other state park in-holdings. This appropriation is available in either year of the biennium.

Subd. 10. Regional Operations Support

5,121,000 5,136,000

		1992	1993
		\$	\$
Summary by Fund			
General	3,984,000	3,969,000	
Game and Fish	888,000	913,000	
Natural Resources	249,000	254,000	

Subd. 11. Special Services and Programs

5,853,000	5,881,000
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Summary by Fund

General	4,558,000	4,559,000
Game and Fish	482,000	494,000
Natural Resources	813,000	828,000

\$103,000 the first year and \$103,000 the second year are for a grant to the Mississippi headwaters board for up to 50 percent of the cost of implementing the comprehensive plan for the upper Mississippi within areas under its jurisdiction.

\$17,000 the first year and \$17,000 the second year are for payment to the Leech Lake Band of Chippewa Indians to implement their portion of the comprehensive plan for the upper Mississippi.

Notwithstanding any other law to the contrary, any reductions in the department of natural resources' agency operating budget or reductions in agency program efforts prompted by specific legislative action or economic conditions during the biennium shall not be applied against the budget for the Minnesota Conservation Corps. Should the need arise, the commissioner shall reallocate resources within the department to ensure that the corps is maintained at no less than the same level of effort as accomplished during the 1990-1991 biennium.

The commissioner of the department of natural resources shall have the au-

	1992	1993
	\$	\$

thority to contract with and make grants to nonprofit agencies to carry out the purposes, plans, and programs of the office of youth programs, Minnesota conservation corps.

Subd. 12. Administrative Management Services

6,552,000	6,640,000
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Summary by Fund

General	2,640,000	2,634,000
Game and Fish	2,344,000	2,413,000
Natural Resources	1,568,000	1,593,000

The commissioners of natural resources, public safety, and employee relations shall assess the effectiveness of the critical stress debriefing unit and the appropriateness of its current organizational placement. They shall report their findings and recommendations to the legislature by February 15, 1992.

Subd. 13. General Reduction

(\$500,000)	(\$520,000)
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Sec. 6. BOARD OF WATER AND SOIL RESOURCES

	8,076,000	8,020,000
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	1992	1993
Approved Complement --	36	36
General --	34	34
Federal --	2	2

\$10,000 the first year and \$10,000 the second year are for the International Water Coalition.

\$849,000 the first year and \$849,000 the second year are for general purpose grants to soil and water conservation districts, including conservation tillage and review and comment on water permits. Upon approval of the board, expenditures may be made from these

1992

1993

\$

\$

appropriations for supplies and services benefiting soil and water conservation districts.

\$1,461,000 the first year and \$1,461,000 the second year are for grants to soil and water conservation districts for cost-sharing contracts for erosion control and water quality management. This appropriation is available until expended.

\$159,000 the first year and \$159,000 the second year are for grants-in-aid to soil and water conservation districts and local units of government to assist them in solving sediment and erosion control problems. Grants must not exceed 50 percent of total project costs or 50 percent of the local share if federal money is used. Priority must be given to projects designed to solve lakeshore, stream bank, and roadside erosion and to projects eligible for federal matching money.

\$189,000 the first year and \$189,000 the second year are for grants to watershed districts and other local units of government in the southern Minnesota river basin study area 2 for flood plain management.

\$900,000 the first year and \$900,000 the second year are for technical services and implementation of the conservation reserve program. Of this appropriation, \$750,000 the first year and \$750,000 the second year must be distributed to soil and water conservation districts.

\$2,435,000 the first year and \$2,535,000 the second year are for comprehensive local water planning.

\$200,000 the first year is for a pilot project for a statewide abandoned well

	1992	1993
\$	\$	

inventory. The board shall select counties for inclusion in this pilot that are representative of geographic, hydrological, geologic, and demographic areas of the state. The pilot will include an effort to identify the locations of abandoned wells in the selected counties and an analysis of the costs and an evaluation of the need for a statewide inventory of abandoned wells. The board shall submit a report to the legislature with its findings and recommendations by December 1, 1992. Any unencumbered balance at the end of the first year does not cancel and is available for the second year.

Any unencumbered balance in the board's program of grants to soil and water conservation districts and counties does not cancel at the end of the first year and is available for the second year for the same grant program.

Sec. 7. AGRICULTURE

Subdivision 1. Total Appropriation \$13,023,000 \$12,855,000

	1992	1993
Approved Complement -	537	537
General -	218	218
Environmental -	2	2
Special/Revolving -	293	293
Federal -	24	24

Summary by Fund

General	12,708,000	12,540,000
Environmental	130,000	130,000
Special Revenue	185,000	185,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Protection Service

	5,264,000	5,254,000
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	1992	1993
	\$	\$
Summary by Fund		
General	5,134,000	5,124,000
Environmental	130,000	130,000

\$130,000 the first year and \$130,000 the second year are from the environmental response, compensation, and compliance account in the environmental fund.

Subd. 3. Promotion and Marketing

	753,000	750,000
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\$75,000 the first year and \$75,000 the second year are for transfer to the Minnesota grown matching account which may be used as grants for Minnesota grown promotion.

Subd. 4. Family Farm Services

	1,318,000	1,318,000
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\$629,000 the first year and \$629,000 the second year are for family farm security interest payment adjustments. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. During the biennium, such sums that are not needed for interest payment adjustments are available for farm crisis assistance. No new loans may be approved in fiscal year 1992 or 1993.

\$200,000 the first year and \$200,000 the second year are appropriated to the commissioner to manage the existing family farm advocacy program. The commissioner shall target these funds to areas of the state with the greatest amount of farm stress.

\$150,000 the first year and \$150,000 the second year are for agriculture information centers and is only available on a dollar for dollar nonstate match.

	1992	1993
	\$	\$

The funds may be released at the rate of one dollar for each dollar of matching nonstate money that is raised. The commissioner may credit in-kind contributions from nonstate sources for up to one-half of the required nonstate match. This appropriation shall be used to target the areas of the state with the greatest amount of farm stress and shall not be a part of the 1994-1995 biennial budget base.

\$100,000 the first year and \$100,000 the second year are for supplemental grant funding to the commissioner for farm and small business management programs through the technical college system. The commissioner is authorized to make a supplemental grant or grants to the board of technical colleges for the instructional materials, instructional staff, support staff, and tuition assistance costs associated with this program not to exceed the amount of supplemental funding made available. Any supplemental grants that may be made to this program shall not be considered as part of the 1994-1995 budget base for the technical college system or the department of agriculture.

Subd. 5. Administrative Support and Grants

	5,688,000	5,533,000
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Summary by Fund

General	5,503,000	5,348,000
Special Revenue	185,000	185,000

\$185,000 the first year and \$185,000 the second year are from the commodities research and promotion account in the special revenue fund.

\$80,000 the first year and \$80,000 the second year are for grants to farmers for demonstration projects involving sustainable agriculture. If a project

	1992	1993
	\$	\$
<p>cost is more than \$25,000, the amount above \$25,000 must be cost-shared at a state-applicant ratio of one to one. Priorities must be given for projects involving multiple parties. Up to \$20,000 each year may be used for dissemination of information about the demonstration grant projects. If the appropriation for either year is insufficient, the appropriation for the other is available.</p>		

The unexpended balance appropriated for grants to farmers for demonstration projects involving sustainable agriculture in Laws 1989, chapter 269, section 7, subdivision 5, does not cancel and is reappropriated to the commissioner and added to other appropriations for the biennium ending June 30, 1993, to carry out such demonstrations to be used in either year of the biennium.

\$70,000 the first year and \$70,000 the second year are for the Northern Crops Institute. These appropriations may be spent to purchase equipment and are available until spent.

\$40,000 the first year and \$40,000 the second year are for payment of claims relating to livestock damaged by endangered animal species. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$80,000 the first year and \$80,000 the second year are for the seaway port authority of Duluth.

\$10,000 the first year is for payment of claims relating to agricultural crops damaged by elk and is available until June 30, 1993.

\$19,000 the first year and \$19,000 the second year is for a grant to the Minnesota livestock breeder's association.

	1992	1993
	\$	\$

\$100,000 the first year and \$100,000 the second year are for a base adjustment to grants to the state agricultural society to be spent as grants to county agricultural societies for premiums for county fair competitions in arts and crafts. This appropriation must be included in the 1994-1995 biennial budget base.

\$160,000 the first year is for farm safety programs. \$120,000 is for payment to instructors in a youth farm safety program and \$40,000 is for a farm safety audit pilot project. This appropriation is available for either year of the biennium. If any amount of the appropriation for either program remains unencumbered on September 1, 1992, it becomes available for the other program.

Sec. 8. BOARD OF ANIMAL HEALTH	2,085,000	2,080,000
Approved Complement – 37 35		
General – 36 34		
Federal – 1 1		

This appropriation includes \$25,000 the first year and \$25,000 the second year for payment of indemnities. If the appropriation for indemnities for either year is insufficient, the appropriation for the other year is available for it. Indemnities of less than \$1 must not be paid.

\$150,000 the first year and \$150,000 the second year are for an integrated pseudorabies control and research program. The board of animal health must consult with the pseudorabies advisory council about how this money should be spent. The appropriation is available only as matched, dollar for dollar, by money from nonstate sources.

	1992	1993
	\$	\$
Sec. 9. MINNESOTA-WISCONSIN BOUNDARY AREA COMMISSION	127,000	127,000

This appropriation is only available to the extent it is matched by an equal amount from the state of Wisconsin.

Sec. 10. CITIZENS COUNCIL ON VOYAGEUR'S NATIONAL PARK	80,000	80,000
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Sec. 11. SCIENCE MUSEUM OF MINNESOTA	1,138,000	1,138,000
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Upon completion of its national tour, the Science Museum of Minnesota shall donate free of charge the "Wolves and Humans" exhibit to the International Wolf Center for permanent housing. In the event that the construction necessary to display the exhibit at the International Wolf Center is not completed at the time that the tour concludes, the Science Museum of Minnesota shall provide space until the International Wolf Center is prepared to display the exhibit.

Sec. 12. MINNESOTA ACADEMY OF SCIENCE	32,000	36,000
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Sec. 13. MINNESOTA HORTICUL- TURAL SOCIETY	71,500	71,500
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\$3,500 the first year and \$3,500 the second year are to increase the amount of color used in printing the Minnesota Horticulturist.

Sec. 14. MINNESOTA RESOURCES

Subdivision 1. Total Appropriation	34,994,000
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Summary by Fund

Minnesota Future Resources Fund

16,534,000

Minnesota Environment and Natural Resources Trust Fund

14,960,000

	1992	1993
	\$	\$
Oil Overcharge Money in the Special Revenue Fund		
3,500,000		

The appropriations in this section are from the Minnesota future resources fund, unless another fund is named.

The appropriations in this section are available until June 30, 1993.

Subd. 2. Legislative Commission on Minnesota Resources	850,000
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For the biennium ending June 30, 1993, the commission shall monitor the programs in this section; assess the status of the state's natural resources; convene a state resource congress; establish priorities for, request, review, and recommend programs for the 1993-1995 biennium from the Minnesota future resources fund, Minnesota environment and natural resources trust fund, and oil overcharge money, and for support of the Citizen Advisory Committee activities.

Subd. 3. Recreation

(a) Off-highway Vehicle Recreation Area	75,000
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This appropriation is to the commissioner of natural resources to conduct a study in cooperation with the Minnesota 4-WD Association on the feasibility of an off-highway vehicle recreation area.

(b) Superior Hiking Trail	400,000
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This appropriation is to the commissioner of natural resources for planning and administrative assistance and a grant to the Superior Hiking Trail Association for planning, development, and limited use of easement acquisi-

	1992	1993
	\$	\$

tion. The use of conservation corps resources is strongly encouraged. Up to \$80,000 is available to the commissioner for planning and administrative assistance. Available federal and private money is appropriated.

(c) Local Rivers Planning	400,000	
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This appropriation is to the commissioner of natural resources for grants of up to two-thirds of the cost to counties, or groups of counties acting pursuant to joint powers agreement, to develop comprehensive plans for the management and protection of up to eight rivers in northern and central Minnesota. The commissioner of natural resources shall include in the work plan for review and approval by the legislative commission on Minnesota resources a proposed list of rivers and a planning process developed by consensus of the affected counties. All plans must meet or exceed the requirements of state shoreland and floodplain laws.

(d) Access to Lakes and Rivers	1,000,000	
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This appropriation is to the commissioner of natural resources to provide boat access to major recreation lakes and rivers and to construct fishing piers in accordance with established priorities, inventory, map, and construct shore access sites in the metropolitan area.

(e) Land and Water Resource Management, Lower St. Croix Riverway	360,000	
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources for a grant to the Minnesota-Wisconsin Boundary Area Commission to develop a management strategy, improved technical capability, and sustained local government and

	1992	1993
	\$	\$
landowner stewardship on the jointly managed lower St. Croix.		

(f) Mississippi River Valley Blufflands Initiative	150,000	
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources to assist local units of government to develop the tools necessary to protect the outstanding scenic and biological resources of the blufflands of the Mississippi Valley in Goodhue, Wabasha, Winona, and Houston counties.

(g) Reclamation of Recreation Systems and Environmental Resources	200,000	
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This appropriation is to the University of Minnesota, College of Architecture and Landscape Architecture, to investigate urban design strategies for enhancing recreational amenities in suburban areas. The investigation shall be done in cooperation with the metropolitan council. The legislative commission on Minnesota resources may convene a steering committee to ensure coordination and practical results.

(h) Preservation of Historic Shipwrecks, Lake Superior	100,000	
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\$80,000 is to the Minnesota historical society to investigate the historic significance of shipwrecks on the North Shore of Lake Superior in accordance with priorities for placement on the National Register of Historic Places; to develop preservation plans to implement the federal Abandoned Shipwrecks Act; and to conduct a survey of the underwater resources in the vicinity of Split Rock Lighthouse.

\$20,000 is to the commissioner of natural resources to develop facilities at Split Rock Lighthouse State Park for diver access.

	1992	1993
	\$	\$
(i) Land and Water Conservation Fund Administration	84,000	

This appropriation is to the commissioner of natural resources for administration of the federal land and water conservation program and other grant administration activities assigned to the commissioner in this section.

(j) Historic Records Database – Final Phase	180,000
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This appropriation is to the Minnesota historical society to automate and make widely accessible the society's collections.

(k) Fur Trade Research and Planning	250,000
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This appropriation is to the Minnesota historical society to plan and design the visitor center at the Northwest Company Fur Post Historic Site, and for site improvements at that site. No more than \$100,000 may be spent for site improvements.

(l) Mystery Cave Resource Evaluation	150,000
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This appropriation is to the commissioner of natural resources to perform a resource inventory and study of Mystery Cave to include groundwater, cave meteorology, geology, and biology as part of the park plan.

(c) Rails-to-Trails Acquisition and Development	1,000,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources for acquisition and development of trails in accordance with established priorities.

	1992	1993
	\$	\$
Subd. 4. Water		
(a) Stream and Watershed Information System	200,000	
<p>This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of state planning to develop an integrated system of information relating to streams, watersheds, and retrieval and analysis tools.</p>		
(b) South Central Minnesota Surface Water Resource Atlases and Data Base	300,000	
<p>This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources for a grant to Mankato State University for development of surface hydrology atlases and data base in both hard and electronic format for the 13 counties of south central Minnesota.</p>		
(c) Minnesota River Basin Water Quality Monitoring	700,000	
<p>This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of the pollution control agency. This is the final two years of a multiagency four-year effort to identify the sources of nonpoint pollution threatening the water quality and uses of the Minnesota River. The results will be used to direct state and local implementation programs. Federal matching money is appropriated.</p>		
(d) Waterwatch – Citizen Monitoring and Protection Program	272,000	

This appropriation is to the commissioner of the pollution control agency to encourage and coordinate citizen and student volunteer monitoring of water

	1992	1993
	\$	\$
quality and biological indicators for Minnesota's lakes and streams.		
(e) Bioremedial Technology for Groundwater	96,000	
<p>This appropriation is to the University of Minnesota, Department of Civil and Mineral Engineering, for a pilot demonstration of technology for in situ biodegradation of organic pollutants in groundwater.</p>		
(f) County Geologic Atlas and Groundwater Sensitivity Mapping	1,400,000	
<p>\$800,000 is from the Minnesota environment and natural resources trust fund to the University of Minnesota, Minnesota Geologic Survey, to expand production of county geologic atlases and create a new atlas services office.</p>		
<p>\$600,000 is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources for groundwater sensitivity mapping.</p>		
(g) Aquifer Analyses in southeast Minnesota	73,000	
<p>This appropriation is to the commissioner of natural resources for a grant to Winona State University to perform aquifer tests in southeast Minnesota in order to determine aquifer characteristics, surface-subsurface groundwater interaction, and aquifer interaction.</p>		
(h) Clean Water Partnership Grants to Local Units of Government	700,000	
<p>This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of the pollution control agency for Clean Water Partnership grants under Minnesota Statutes, section 115.096.</p>		

	1992	1993
	\$	\$

In addition to the required work program, grants may not be approved until grant proposals have been submitted to the legislative commission on Minnesota resources and the commission has either made a recommendation or allowed 30 days to pass without making a recommendation.

(i) Cannon River Watershed Grants	60,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the board of water and soil resources to provide research and demonstration grants to counties consistent with the comprehensive local water management program under Minnesota Statutes, chapter 110B, as part of the Cannon River watershed protection program.

(j) Mitigating Mercury in Northeast Minnesota Lakes	300,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of the pollution control agency to investigate how to mitigate the damage caused by the presence of mercury in northeast Minnesota lakes.

(k) Development and Application of Aeration Technologies	148,000
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This appropriation is to the University of Minnesota, St. Anthony Falls Hydraulic Laboratory, to study how to optimize membrane aeration and the hydraulic design of bypass type aerator systems.

(l) Lake Superior Initiative – Institute for Research	400,000
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This appropriation is to the University of Minnesota, Graduate School, to establish an institute for Lake Superior

	1992	1993
	\$	\$
Research that would develop a strong multifaceted research effort.		
(m) Lake Mille Lacs Public Land Use Plan	20,000	
This appropriation is to the commissioner of natural resources to plan for shoreline management of publicly-owned lands around Lake Mille Lacs.		
(n) Ecological Evaluation of Year-Round Aeration	100,000	
This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources to collect baseline data on aerated and nonaerated lakes and determine ecological impacts of aeration.		
(o) Erosion Control Cost-Sharing	250,000	
This appropriation is from the Minnesota environment and natural resources trust fund to the board of water and soil resources to share in the cost of conservation practices to control soil erosion and protect water quality, including water quality practices that divert water from sinkholes, under Minnesota Statutes, section 103C.501.		
(p) Well Sealing Cost-Share Grants	750,000	
This appropriation is from the Minnesota environment and natural resources trust fund to the board of water and soil resources to make grants to counties for sharing the cost of sealing wells under Minnesota Statutes, section 103I.331.		
Subd. 5. Education		
(a) Environmental Education Program	790,000	

	1992	1993
	\$	\$
<p>\$400,000 is from the Minnesota environment and natural resources trust fund to the commissioner of education to develop and implement model K-12 environmental education curriculum integration. This program will incorporate ongoing models of other deliverers of environmental education.</p>		

\$30,000 is from the Minnesota environment and natural resources trust fund to the commissioner of education for a grant to the Minnesota Community Education Association to incorporate environmental education into the community education system.

\$60,000 is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources to complete a long-term plan for the development and coordination of environmental learning centers.

\$85,000 is from the Minnesota environment and natural resources trust fund to the commissioner of state planning for a grant to the Audubon Center of the Northwoods for an assessment of environmental learning center programs and services.

\$215,000 is from the Minnesota environment and natural resources trust fund to the commissioner of state planning to develop a statewide environmental education plan. The statewide plan will integrate the plans, strategies, and policies of the department of education, post-secondary institutions, the department of natural resources, and other deliverers of environmental education.

(b) Teacher Training for Environmental Education

5,000

This appropriation is to the commissioner of education for a grant to the St.

	1992	1993
	\$	\$
Paul Chapter of the National Audubon Society for scholarships for the training of teachers in environmental education integration.		

(c) Video Education Research and Demonstration Project	100,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of education for a grant to Twin Cities Public Television to develop a video education demonstration project and a model for a statewide video environmental education communication network.

(d) Integrated Resource Management Education and Training Program	300,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources to provide training and internship programs in natural resource management.

(e) Continuing Education in Outdoor Recreation for Natural Resource Managers	125,000
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This appropriation is to the University of Minnesota, Department of Forest Resources, to develop and implement an outdoor recreation short course for natural resource planners and managers with outdoor recreation responsibilities.

(f) Environmental Exhibits Collaborative	400,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the Science Museum of Minnesota to establish a statewide collaborative to share and create traveling water-related exhibits

	1992	1993
	\$	\$
and programs for schools and family groups at different sites.		
(g) Upper Mississippi River Environmental Education Center	600,000	

This appropriation is to the commissioner of natural resources for a grant to the city of Winona to develop detailed architectural designs necessary to obtain federal construction funding for an Upper Mississippi River Environmental Education Center. This appropriation is contingent upon federal commitment of at least \$6,000,000 for construction and for future operation and maintenance.

(h) Urban Rangers Program	100,000
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This appropriation is to the commissioner of education for a grant to the Minneapolis Park and Recreation Board to develop an urban environmental curriculum for elementary students and families conducted at 44 city recreation centers.

(i) Crosby Farm Park Nature Program	85,000
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This appropriation is to the commissioner of education for a grant to the city of St. Paul to institute a nature study program at Crosby Farm Park to introduce inner city residents and minorities to learning opportunities concerning natural resources and how to conserve and protect those resources.

(j) Youth in Natural Resources	250,000
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This appropriation is to the commissioner of natural resources to develop a career exploration program for minority youths and to test their vocational interests, skills, and aptitudes.

	1992	1993
	\$	\$
(k) Environmental Education for Handicapped	130,000	

This appropriation is to the commissioner of education for a grant to Vinland National Center to develop a program model in environmental education, including education of persons with disabilities, and to teach the model to educators, environmentalists, and the disability community.

Subd. 6. Agriculture

(a) Biological Control of Pests	650,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of agriculture to collect and identify potential biological control agents, and to develop and test biological control agents for a variety of pests. A grant request to supplement this appropriation must be submitted to the U.S. Department of Agriculture and the results reported to the legislative commission on Minnesota resources.

(b) Review Levels of Pesticides at Spill Sites	300,000
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This appropriation is to the commissioner of agriculture for a literature search and publication of remediation technologies for pesticide spills, laboratory research on the fate of elevated levels of pesticides in soil, and evaluation of bioremediation techniques.

(c) Effective Nitrogen and Water Management for Sensitive Areas	300,000
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This appropriation is to the commissioner of agriculture to provide an integrated research information base on risks of groundwater pollution involved in nitrogen and water management for crop production.

	1992	1993
	\$	\$
(d) Conservation Reserve Easements	600,000	

This appropriation is from the Minnesota environment and natural resources trust fund to the board of water and soil resources to acquire perpetual easements on wetlands and to acquire perpetual easements under Minnesota Statutes, section 103F.515, subdivision 3, with priority for wetland areas, to enhance wildlife habitat, control erosion, and improve water quality.

(e) Native Grass and Wildflower Seed	130,000	
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This appropriation is to the commissioner of agriculture in cooperation with the commissioner of natural resources to develop the varietal, cultural, and market information necessary to encourage expanded commercial production of Minnesota origin native wildflower and grass seed.

(f) Community Gardening Program	110,000	
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This appropriation is to the University of Minnesota, Minnesota Extension Service, in cooperation with the Minnesota State Horticultural Society and the Self Reliance Center to provide gardening information and technical assistance in metropolitan and non-metropolitan areas.

Subd. 7. Forestry

(a) Minnesota Old-Growth Forests – Character and Identification	150,000	
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This appropriation is to the commissioner of natural resources to develop quantitative, structural definitions of Minnesota old-growth forest types, examine the importance of old growth as sensitive habitat, and evaluate old-growth forest stands that are identified as the department of natural resources

	1992	1993
	\$	\$
old-growth guidelines are implemented.		

(b) Nutrient Cycling and Tree Species Suitability	220,000	
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This appropriation is to the University of Minnesota, Department of Forest Resources, to assess the role of nutrient cycling and associated management practices for sustainability of Minnesota's forest resources under scenarios of increased harvesting and atmospheric change.

(c) State Forest Land Acquisition	500,000	
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This appropriation is to the commissioner of natural resources to acquire lands in the highest priority purchase compartments in the R. J. Dorer Memorial Hardwood State Forest.

(d) Regeneration and Management of Minnesota's Oak Forests	225,000	
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This appropriation is to the University of Minnesota, Minnesota Extension Service, for research and education in oak regeneration and management.

(e) Private Forest Management for Oak Regeneration	200,000	
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This appropriation is to the commissioner of natural resources to increase technical assistance to private forest landowners in southern Minnesota for oak regeneration.

(f) Aspen Hybrids and New Tissue Culture Techniques	70,000	
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This appropriation is to the University of Minnesota, Department of Forest Resources, to research tissue cultured aspen and hybrid aspen clones.

(g) Aspen Decay Models for Mature Aspen Stands	85,000	
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	1992	1993
	\$	\$
<p>This appropriation is to the commissioner of natural resources to contract with Koochiching county and the University of Minnesota, College of Natural Resources, to develop models for aspen decay in mature aspen stands.</p>		
(h) Generic Environmental Impact Statement	400,000	
<p>This appropriation is from the environment and natural resources trust fund to the Environmental Quality Board for preparation of a generic environmental impact statement.</p>		
<p>Subd. 8. Fisheries</p>		
(a) Pilot Fish Pond Complex – Fisheries Development and Education	250,000	
<p>This appropriation is to the commissioner of natural resources for a grant to the Leech Lake Band of Chippewa Indians to develop fish ponds for production of sportfish and baitfish.</p>		
(b) Aquaculture Facility Purchase and Development and Genetic Gamefish Growth Studies	1,200,000	
<p>This appropriation is to the University of Minnesota, College of Natural Resources, to acquire and develop an aquaculture facility and to continue research on genetically engineered gamefish.</p>		
(c) Cooperative Urban Aquatic Education Program	340,000	
<p>This appropriation is to the commissioner of natural resources to expand urban fishing opportunities and awareness.</p>		
(d) Catch and Release Program	35,000	

	1992	1993
	\$	\$
<p>This appropriation is to the commissioner of natural resources to accelerate the catch and release portion of the CORE program for matching grants to local anglers clubs for promotion of catch and release statewide. The work must be done in cooperation with the Minnesota Sportfishing Congress and other interested groups.</p>		

(e) Metropolitan Lakes Fishing Opportunities	75,000
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This appropriation is to the commissioner of natural resources to study metropolitan area lakes to determine if recreational fishing opportunities are being maximized. The study must be done in cooperation with the Minnesota Sportfishing Congress and other interested groups.

(f) Lake Minnetonka Bass Tracking	85,000
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This appropriation is to the commissioner of natural resources to study the impacts of bass fishing contests. The study must be done in cooperation with the Minnesota Sportfishing Congress and other interested groups.

(g) Stocking Survey	35,000
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This appropriation is to the commissioner of natural resources to survey organizations to determine the level of interest in public and private fish stocking activities. The survey must be done in cooperation with the Minnesota Sportfishing Congress and other interested groups.

Subd. 9. Wildlife

(a) Insecticide Impact on Wetland and Upland Wildlife	650,000
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This appropriation is from the Minnesota environment and natural re-

	1992	1993
	\$	\$
sources trust fund to the commissioner of natural resources to research the effect of insecticides on wetland and upland wildlife and habitats.		
(b) Biological Control of Eurasian Water Milfoil	100,000	

This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources to continue a cooperative research program between the department of natural resources, Freshwater Foundation, and the University of Minnesota leading to biological control of Eurasian water milfoil. This appropriation must be matched by \$200,000 from the Freshwater Foundation.

(c) Microbial and Genetic Strategies for Mosquito Control	150,000
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This appropriation is to the University of Minnesota, Department of Entomology, to enhance mosquito control by development of microbial agents that are environmentally safe and specific for mosquitoes.

(d) Minnesota County Biological Survey	1,000,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources to continue the biological survey in Minnesota counties previously funded by Laws 1989, chapter 335, article 1, section 29, subdivision 3, item (t).

(e) Data Base for Plants of Minnesota	130,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the University of Minnesota to computerize the data

	1992	1993
	\$	\$
base for Minnesota plants, including precise information on the distribution, ecology, history, and management of each species.		
(f) Aquatic Invertebrate Assessment Archive	130,000	
This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of the pollution control agency, in cooperation with the Science Museum of Minnesota, to continue work on a record system for aquatic invertebrates and assign pollution tolerance values and to develop an information system for the zebra mussel.		
(g) Wetlands Forum	40,000	
This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources to improve communication and information exchange regarding wetlands in the metropolitan area. This appropriation must be matched by \$40,000 from the Freshwater Foundation.		
(h) Easement Acquisition on Restored Wetlands	400,000	
This appropriation is from the Minnesota environment and natural resources trust fund to the board of water and soil resources for a pilot program to acquire permanent conservation easements on federally restored or enhanced wetlands and adjacent lands in cooperation with the United States Fish and Wildlife Service and the Izaak Walton League.		
(i) Swan and Heron Lake Area Projects	1,000,000	

	1992	1993
	\$	\$
<p>This appropriation is to the commissioner of natural resources. First priority is for acquisition that qualifies for federal match. Second priority is for land management activities. Federal and other matching money is appropriated. Any full-time equivalent positions associated with this appropriation are for land acquisition work.</p>		
<p>(j) Wildlife Oriented Recreation Facilities at Sandstone Unit National Wildlife Refuge</p>	9,000	
<p>This appropriation is to the commissioner of natural resources to contract with Rice Lake National Wildlife Refuge for recreation facility development and access at the Sandstone Unit of Rice Lake National Wildlife Refuge.</p>		
<p>(k) Acquisition and Development of Scientific and Natural Areas</p>	300,000	
<p>This appropriation is to the commissioner of natural resources to acquire and develop scientific and natural area sites consistent with the state scientific and natural areas plan.</p>		
<p>(l) Black Bear Research in East Central Minnesota</p>	100,000	
<p>This appropriation is to the University of Minnesota, Bell Museum of Natural History, to develop landscape ecology concepts and better understand the problem of bear damage to crops.</p>		
<p>(m) Partnership for Accelerated Wild Turkey Management</p>	50,000	
<p>This appropriation is to the commissioner of natural resources to increase wild turkey stocking. This appropriation must be matched by \$50,000 from the National Wild Turkey Federation.</p>		

	1992	1993
	\$	\$
(n) Restore Thomas Sadler Roberts Bird Sanctuary	50,000	

This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources for a grant to the Minneapolis Park and Recreation Board to restore and improve public access to the Thomas Sadler Roberts Bird Sanctuary. This appropriation must be matched by \$50,000 of local money.

(o) Changes in Ecosystem on Biodiversity of Forest Birds	300,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources to monitor forest songbird populations and to develop geographic information system tools to correlate forest bird populations with dynamics of the forest landscape. This appropriation must be matched by \$200,000 from a combination of non-state funds and the state nongame wildlife program.

(p) Establish Northern Raptors Rehabilitation and Education Facility	75,000
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This appropriation is to the University of Minnesota, Raptor Center, to establish a raptor rehabilitation and release facility at the Audubon Center of the Northwoods.

(q) Effect of Avian Flu Virus in Mallard Ducks	16,000
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This appropriation is to the University of Minnesota, Department of Veterinary Pathobiology, to research the effects of Avian influenza on Mallard ducks.

	1992	1993
	\$	\$
Subd. 10. Land		

(a) Base Maps for 1990s	1,900,000	
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of state planning to provide the state match for a federal program to complete a major portion of the statewide air photo and base map coverage. The federal share is appropriated.

(b) Accelerated Soil Survey	1,270,000	
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This appropriation is to the University of Minnesota, Agriculture Experiment Station, to complete the soil survey in counties under contract as of July 1, 1988. Up to \$270,000 is for initiation of a survey in Koochiching county, provided that the county share of the cost of the survey shall be one-third of the cost, reduced by a percentage equal to the percent of land located in the county that is owned by the federal or state government that exceeds five percent, and further adjusted by the ratio of the adjusted net tax capacity per capita of the county to the adjusted net tax capacity per capita of the state.

(c) Statewide National Wetlands Inventory, Protected Waters Inventory, Watershed Map Digitization	750,000	
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources to complete the digitization of the national wetlands inventory, protected water inventory, and watershed boundaries.

(d) Statewide Land Use Update	338,000	
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This appropriation is to the commissioner of state planning for a grant to The International Coalition to com-

	1992	1993
	\$	\$
plete a statewide land use update of all land and water resources outside the Twin City metropolitan area.		

(e) Local Geographic Information System Program	143,000
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This appropriation is to the commissioner of state planning for a grant to The International Coalition to expand the applicability and use of geographic information by developing programs and providing training at the local level.

(f) GIS Control Point Inventory	175,000
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This appropriation is to the commissioner of state planning to produce a statewide inventory of known public land survey control points using data from all levels of government.

(g) Land Use and Design Strategies to Enhance Environmental Quality	100,000
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This appropriation is to the University of Minnesota, College of Architecture and Landscape Architecture, to develop a land use and design concept for typical sites on light rail transit and freeway systems. The work must be done in consultation with the Metropolitan Council and the Regional Transit Board.

(h) Model Residential Land Use Guidelines	150,000
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This appropriation is to the University of Minnesota, Department of Landscape Architecture, to illustrate and disseminate residential land development guidelines that address a broad range of environmental concerns. The work must be done in consultation with the Metropolitan Council. The legislative commission on Minnesota resources may convene a steering

	1992	1993
	\$	\$
committee to ensure coordination and practical results.		

Subd. 11. Minerals

Subsurface Greenstone Belts in Southwestern Minnesota	120,000
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This appropriation is to the University of Minnesota, Minnesota Geologic Survey, to apply aeromagnetic interpretation techniques and test drilling to determine greenstone and associated mineral potential in southwestern Minnesota.

Subd. 12. Waste

(a) Remediation of Soils by Co-Composting with Leaves	135,000
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This appropriation is to the office of waste management for a grant to the Minneapolis Community Development Agency to develop a treatment method for soils contaminated with semi-volatile compounds by co-composting with leaves.

(b) Land Spreading of Yard Wastes	100,000
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This appropriation is to the office of waste management for a grant to the University of Minnesota, Soils Science Department, to determine the maximum and optimum rates that yard wastes can be applied to soils without reducing yields or endangering the environment.

Subd. 13. Oil Overcharge

The appropriations in this subdivision are from oil overcharge money, as defined in Minnesota Statutes, section 4.071, in the special revenue fund.

(a) Traffic Signal Timing and Optimization Program	1,175,000
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	1992	1993
	\$	\$

This appropriation is to the commissioner of administration for transfer to the commissioner of transportation. \$125,000 is for traffic signal retiming and optimization training and \$1,050,000 for a cost share program for signal retiming. \$675,000 of the cost share program is available only as cash flow permits.

(b) Waste Crumb Rubber in Roadways	100,000
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This appropriation is to the commissioner of administration for transfer to the commissioner of transportation to improve hot-mix asphalt pavement performance through the use of crumb tire rubber and selected polymer additives. The process will use waste tires generated in Minnesota. This appropriation must be matched by \$100,000 from other sources.

(c) Biodegradable Plastics – Microbial and Crop Plant Systems	150,000
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This appropriation is to the commissioner of administration for a grant to the University of Minnesota, Department of Agronomy and Plant Genetics, to genetically engineer yeast and crop plants to produce low-cost polyhydroxybutyric, a biodegradable plastic, to substitute for petroleum-based plastics.

(d) Agricultural Energy Savings Information	150,000
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This appropriation is to the commissioner of administration for a grant to the Agricultural Utilization Research Institute to conduct a series of conferences, communication products, and intensive workshops in order to transfer the results of state-funded research to agricultural practitioners.

	1992	1993
	\$	\$
(e) Residential Urban Environmental Resource Audit	150,000	

This appropriation is to the commissioner of administration for a grant to the St. Paul Neighborhood Energy Consortium to develop and implement neighborhood workshops and one-on-one consultations as part of an environmental urban resource audit and a broad educational campaign.

(f) Means for Producing Lignin-Based Plastics	100,000
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This appropriation is to the commissioner of administration for a grant to the University of Minnesota, Department of Forest Products, to develop means for fabricating engineering plastics based upon industrial by-product lignins and corresponding raw materials from wheat straw.

(g) Cellulose Rayons for Packaging	150,000
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This appropriation is to the commissioner of administration for a grant to Bemidji State University, Center for Environmental Studies, to research and develop cellulose rayons.

(h) Tree and Shrub Planting for Energy in Minnesota Communities	1,250,000
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This appropriation is to the commissioner of administration for a grant to the commissioner of natural resources to develop research-based guidelines and publications and to provide matching grants for energy conservation tree planting. \$950,000 of this appropriation is available only as cash flow permits.

(i) Oil Overcharge Program Administration	200,000
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This appropriation is to the commissioner of administration for processing

	1992	1993
	\$	\$
and oversight of grants and allocations in the Oil Overcharge program.		

(j) Energy Efficiency Standards for Residential Construction	75,000
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This appropriation is to the commissioner of administration for a grant to the University of Minnesota, Cold Climate Housing Center for the development of performance-based standards for energy efficient new home construction and procedures for implementation. This appropriation must be matched by \$75,000 of nonstate funds. This appropriation is available only as cash flow permits.

Subd. 14. MFRF Contingent Account

In addition to the specific amounts appropriated from the Minnesota future resources fund by this section, any increase in the projected revenue up to \$600,000 for the biennium to the fund in excess of the amount indicated in subdivision 1 that would otherwise be available for expenditure during the 1992-1993 biennium is appropriated to the legislative commission on Minnesota resources future resources fund contingent account for disbursement by the commission in accordance with the procedure identified in this subdivision.

This appropriation is for acquisition or development of state land or other projects that are part of a natural resources acceleration activity, when deemed to be of an emergency or critical nature. This appropriation is also available for projects initiated by the legislative commission on Minnesota resources that are found to be proper in order for the commission to carry out its legislative charge.

This appropriation is not available until the legislative commission on Min-

	1992	1993
	\$	\$
<p>Minnesota resources has made a recommendation to the legislative advisory commission regarding each expenditure from the account. The legislative advisory commission must then hold a meeting and provide its recommendation on each item, which may be spent only with the approval of the governor.</p>		

Subd. 15. General Reduction

As cash flow in the Minnesota future resources fund permits, but no later than June 30, 1993, the commissioner of finance in consultation with the legislative commission on Minnesota's resources director shall transfer \$2,000,000 from the unencumbered balance in the fund to the general fund.

Subd. 16. Compatible Data

During the biennium ending June 30, 1993, the data collected by the projects funded under this section that have common value for natural resource planning and management must conform to information architecture as defined in guidelines and standards adopted by the information policy office. Data review committees may be established to develop or comment on plans for data integration and distribution and shall submit semiannual status reports to the legislative commission on Minnesota resources on their findings. In addition, the data must be provided to and integrated with the Minnesota land management information center's geographic data bases with the integration costs borne by the activity receiving funding under this section. This requirement applies to all projects funded under this section, including, but not limited to, the following projects:

1992

1993

\$

\$

Recreation: Subdivision 3, paragraphs (d) and (e);

Water: Subdivision 4, paragraphs (a), (b), (c), (f), and (g);

Agriculture: Subdivision 6, paragraph (d);

Wildlife: Subdivision 9, paragraphs (d), (e), (h), (k), and (p);

Land: Subdivision 10, paragraphs (a), (b), (c), (d), (e), and (f);

Minerals: Subdivision 11.

Subd. 17. Work Program

It is a condition of acceptance of the appropriations made from the Minnesota future resources fund, Minnesota environment and natural resources trust fund, and oil overcharge money according to Minnesota Statutes, section 4.071, subdivision 2, that the agency or entity receiving the appropriation must submit a work program and semiannual progress reports in the form determined by the legislative commission on Minnesota resources. None of the money provided may be spent unless the commission has approved the pertinent work program.

Subd. 18. Temporary Positions

The approved full-time equivalent of the following agencies shall be increased for the biennium as indicated for the appropriations in this section:

Board of Water and Soil Resources –	1
Pollution Control Agency –	6
State Planning Agency –	3
Department of Agriculture –	4

	1992	1993
	\$	\$
Department of Education –	4	
Department of Administration –	1	
Department of Natural Resources –	36	

Persons employed by a state agency and paid by an appropriation in this section are in the unclassified civil service, and their continued employment is contingent upon the availability of money from the appropriation. The positions are in addition to any other approved complement for the agency. Part-time employment of persons is authorized.

Subd. 19. Match Requirements

Appropriations in this section that must be matched and for which the match has not been committed by January 1, 1992, must be canceled. Amounts canceled to the Minnesota future resources fund are appropriated to the contingent account created in subdivision 14.

Subd. 20. Patents and Royalties

If an appropriation in this section from the Minnesota future resources fund results in a patent and subsequent royalties, payment of 50 percent of the royalties received, net of patent servicing costs, must be paid to the Minnesota future resources fund, until the entire appropriation made by this section is repaid.

Subd. 21. Carryforward

The appropriation in Laws 1989, chapter 335, article 1, section 29, subdivision 3, paragraph (e), Development of Forest Soil Interpretations, is available until December 31, 1991.

The appropriation in Laws 1989, chapter 335, article 1, section 29, subdivi-

1992

1993

\$

\$

sion 3, paragraph (h), Statewide Public Recreation Map, is available until June 30, 1992.

The appropriation in Laws 1989, chapter 335, article 1, section 29, subdivision 11, paragraph (o), High Flotation Tire Research is available until June 30, 1992.

Sec. 15. [ENVIRONMENTAL, RESPONSE, COMPENSATION AND COMPLIANCE ACCOUNT REPORT.]

The commissioner of the pollution control agency, after consultation with representatives of public and private landfill owners and operators, the director of the office of waste management, and the director of the legislative commission on waste management, shall submit to the legislative commission on waste management and to the environment and natural resources committees of the legislature and to the chairs of the environment divisions of the senate finance and house appropriations committees by November 1, 1991, a report proposing procedures and criteria for use of the funds in the environmental response, compensation, and compliance account. A special emphasis shall be placed on an analysis of other fees and funds collected and maintained for addressing landfill related problems. The report shall recommend procedures and criteria for use of the funds to prevent and respond to releases that add to or replace the procedures and criteria of chapter 115B and federal law. The goals to be met by the recommended procedures and criteria are:

- (1) administrative efficiency;
- (2) expeditious and cost effective prevention and response actions;
- (3) diminution of the financial burden on local government units for closed landfill facilities;
- (4) preservation of a system that prioritizes use of the funds at sites that are causing the greatest environmental burden while endeavoring to use the funds equitably among the broad regions of the state;
- (5) preservation of incentives and requirements for operators of open landfill facilities to operate the facilities responsibly and to provide financial assurance for closure, postclosure care, and contingency action, while addressing problems of facilities with short term capacity;

(6) provision of immediate funding for unforeseen problems at open or closed landfill facilities that are otherwise financially unable to address those immediate problems;

(7) preservation of the concept of cost recovery against easily identifiable responsible parties for payment of the costs of addressing problems; and

(8) assessment of the relationship between all fees and funds collected and maintained for addressing superfund related problems.

Sec. 16. [TRANSFERS.]

Subdivision 1. [GENERAL PROCEDURE.] If the appropriation in this article to an agency in the executive branch is specified by program, the agency may transfer unencumbered balances among the programs specified in that section after getting the approval of the commissioner of finance. The commissioner shall not approve a transfer unless the commissioner believes that it will carry out the intent of the legislature. The transfer must be reported immediately to the committee on finance of the senate and the committee on 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. [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. 17. [APPROPRIATION AND BONDS.]

\$16,000,000 is appropriated from the bond proceeds fund to be divided as follows:

(a) To the board of water and soil resources for the reinvest in Minnesota conservation reserve program, under Minnesota Statutes, section 103F.515: \$1,900,000;

(b) To the commissioner of natural resources for transfer to the critical habitat private sector matching account for purposes of Minnesota Statutes, sections 84.943 and 84.944: \$3,000,000;

(c) To the commissioner of natural resources for the following purposes:

(1) state trail acquisition and development, including the Root River trail: \$1,000,000;

(2) state park rehabilitation: \$2,650,000;

(3) state park development: \$750,000;

(4) state forest acquisition within Dorer memorial forest: \$145,000.

The commissioner of natural resources shall submit semiannual work plans to the legislative commission on Minnesota resources and shall submit a semiannual work program to the commission and request its recommendation before spending any money appropriated by this subdivision or by Laws 1989, chapter 300, article 1, section 16, subdivisions 2 and 3, items (a) and (b); or Laws 1990, chapter 610, article 1, section 20, subdivisions 2, 3, 4, 6, and 7, for any purpose. The commission's recommendation is advisory only. Failure to respond to a request within 60 days after receipt is a negative recommendation. Work programs involving land acquisition must include a land acquisition plan.

(d) To the commissioner of trade and economic development for regional park acquisition and development, including Cedar Lake park acquisition in the cities of Minneapolis and St. Louis Park that is identified in the metropolitan parks and open space commission plan, and \$250,000 for regional park acquisition outside the seven-county metropolitan area: \$6,525,000.

ARTICLE 2

ENVIRONMENT AND NATURAL RESOURCES

Section 1. Minnesota Statutes 1990, section 14.18, is amended to read:

14.18 [PUBLICATION OF ADOPTED RULE; EFFECTIVE DATE.]

Subdivision 1. [GENERALLY.] A rule is effective after it has been subjected to all requirements described in sections 14.131 to 14.20 and five working days after the notice of adoption is published in the State Register unless a later date is required by law or specified in the rule. If the rule adopted is the same as the proposed rule, publication may be made by publishing notice in the State Register that the rule has been adopted as proposed and by citing the prior publication. If the rule adopted differs from the proposed rule, the portions of the adopted rule which differ from the proposed rule shall be included in the notice of adoption together with a citation to the prior State Register publication of the remainder of the proposed rule. The nature of the modifications must be clear to a reasonable person when the notice of adoption is considered together with the State Register publication of the proposed rule, except that modifi-

cations may also be made which comply with the form requirements of section 14.07, subdivision 7.

Subd. 2. [POLLUTION CONTROL AGENCY FEES.] A new fee or fee increase adopted by the pollution control agency is subject to legislative approval during the next biennial budget session following adoption. The commissioner shall submit a report of fee adjustments to the legislature as a supplement to the biennial budget. Any new fee or fee increase remains in effect unless the legislature passes a bill disapproving the new fee or fee increase. A fee or fee increase disapproved by the legislature becomes null and void on July 1 following adjournment.

Sec. 2. Minnesota Statutes 1990, section 16A.123, subdivision 5, is amended to read:

Subd. 5. [DEPARTMENT OF NATURAL RESOURCES COMPLEMENT.] (a) Beginning with the biennium ending June 30, 1991, The legislature shall establish complements for the department of natural resources based on the number of full-time equivalent positions and dollars appropriated for salary-related expenditures.

The commissioner of natural resources shall provide a biennial report indicating the distribution of the full-time equivalents for the previous biennium as a supplement to the agency's biennial budget request for succeeding bienniums. The biennial budget document submitted to the legislature by the governor beginning with the 1992-1993 biennium shall indicate, by program and by activity, the number of full-time equivalent positions included as base level and recommended changes. The governor's salary and full-time equivalents requests for the agency shall include all full-time, part-time, and seasonal dollars and full-time equivalent positions requested. Any change level request submitted by the governor to the legislature for consideration by the governor as part of the governor's biennial budget containing funding for salaries shall indicate the number of additional full-time equivalent positions and salary dollars requested.

Within the full-time equivalent number and amount of salary dollars appropriated for the department, the commissioner shall have the authority to establish as many full-time, part-time, or seasonal positions as required to accomplish the assigned responsibilities for the department. The commissioner shall have the authority to reallocate salary dollars for other operating expenses, but the commissioner shall not have authority to reallocate other operating funds to increase the total amount appropriated for salary-related expenses, including salary supplement, without receiving prior approval according to the process defined in this subdivision.

In the event that the commissioner finds it necessary to exceed the full-time equivalent number or the amount of appropriated dollars

and the legislature is not in session, the commissioner shall seek approval of the legislative advisory commission under subdivision 4. Legislative advisory commission approved full-time equivalent positions and dollars shall ~~not~~ only become a part of the agency budget base ~~unless authorized by the legislature~~ if the increase is the result of appropriations made to the agency by the legislature that are in addition to the appropriations made in the omnibus appropriations acts. All other legislative advisory commission authorized full-time equivalent positions or dollar adjustments shall be temporary for the biennium during which they are authorized unless approved by the legislature.

Sec. 3. Minnesota Statutes 1990, section 18.191, is amended to read:

18.191 [DESTRUCTION OF NOXIOUS WEEDS.]

Except as otherwise specifically provided in sections 18.181 to 18.271, 18.281 to 18.311, and 18.321 to 18.322, it shall be the duty of every occupant of land or, if the land is unoccupied, the owner thereof, or an agent, or the public official in charge thereof, to cut down, otherwise destroy, or eradicate all noxious weeds as defined in section 18.171, subdivision 5, standing, being, or growing upon such land, in such manner and at such times as may be directed or ordered by the commissioner, the commissioner's authorized agents, the county agricultural inspector, or by a local weed inspector having jurisdiction.

Except as provided below, an owner of nonfederal lands underlying public waters or wetlands designated under section 103G.201 is not required to control or eradicate purple loosestrife (*Lythrum salicaria*) below the ordinary high water level of the public water or wetland. To the extent provided in this section, the commissioner of natural resources is responsible for control and eradication of purple loosestrife on public waters and wetlands designated under section 103G.201, except those located upon lands owned in fee title or managed by the United States. The officers, employees, agents, and contractors of the commissioner may enter upon public waters and wetlands designated under section 103G.201 and may cross adjacent lands as necessary for the purpose of investigating purple loosestrife infestations, formulating methods of eradication, and implementing control and eradication of purple loosestrife. The commissioner, after consultation with the commissioner of agriculture, shall, by June 1 of each year, compile a priority list of purple loosestrife infestations to be controlled in designated public waters. The commissioner of agriculture must distribute the list to county agricultural inspectors, local weed inspectors, and their appointed agents. The commissioner of natural resources shall control listed purple loosestrife infestations in priority order within the limits of appropriations provided for that purpose. This procedure shall be the exclusive means for control of purple loosestrife on designated

public waters by the commissioner of natural resources and shall supersede the other provisions for control of noxious weeds set forth elsewhere in Minnesota Statutes, chapter 18. The responsibility of the commissioner to control and eradicate purple loosestrife on public waters and wetlands located on private lands and the authority to enter upon private lands ends ten days after receipt by the commissioner of a written statement from the landowner that the landowner assumes all responsibility for control and eradication of purple loosestrife under sections 18.171 to 18.315. State officers, employees, agents, and contractors are not liable in a civil action for trespass committed in the discharge of their duties under this section and are not liable to anyone for damages, except for damages arising from gross negligence.

Sec. 4. Minnesota Statutes 1990, section 84.0855, is amended to read:

84.0855 [SPECIAL RECEIPTS; APPROPRIATION.]

Money received by the commissioner of natural resources as fees for seminars or workshops, ~~for~~ from the sale of publications, and maps, from the sale of other natural resource related merchandise at the state fair, or to buy supplies for the use of volunteers, may be credited to one or more special accounts in the state treasury and is appropriated to the commissioner for the purposes for which the money was received. Money received from sales at the state fair shall be available for state fair related costs.

Sec. 5. Minnesota Statutes 1990, section 84.82, subdivision 2, is amended to read:

Subd. 2. [APPLICATION, ISSUANCE, REPORTS.] Application for registration or reregistration shall be made to the commissioner of natural resources, or the commissioner of public safety or an authorized deputy registrar of motor vehicles in such form as the commissioner of public safety shall prescribe, and shall state the name and address of every owner of the snowmobile and be signed by at least one owner. A person who purchases a snowmobile from a retail dealer shall make application for registration to the dealer at the point of sale. The dealer shall issue a temporary registration permit to each purchaser who applies to the dealer for registration. The temporary registration is valid for 60 days from the date of issue. Each retail dealer shall submit completed registration and fees to the deputy registrar at least once a week. Upon receipt of the application and the appropriate fee as hereinafter provided, such snowmobile shall be registered and a registration number assigned which shall be affixed to the snowmobile in such manner as the commissioner of natural resources shall prescribe. Each deputy registrar of motor vehicles acting pursuant to section 168.33, shall also be a deputy registrar of snowmobiles. The commissioner of natural resources in agreement with the commissioner of public

safety may prescribe the accounting and procedural requirements necessary to assure efficient handling of registrations and registration fees. Deputy registrars shall strictly comply with these accounting and procedural requirements. A fee of 50 cents in addition to that otherwise prescribed by law shall be charged for each snowmobile registered by the registrar or a deputy registrar. The additional fee shall be disposed of in the manner provided in section 168.33, subdivision 2.

Sec. 6. Minnesota Statutes 1990, section 84.82, subdivision 3, is amended to read:

Subd. 3. [FEES FOR REGISTRATION.] (a) The fee for registration of each snowmobile, other than those used for an agricultural purpose, as defined in section 84.92, subdivision 1c, or those registered by a dealer or manufacturer pursuant to clause (b) or (c) shall be as follows: ~~\$18~~ \$30 for three years and \$4 for a duplicate or transfer.

(b) The total registration fee for all snowmobiles owned by a dealer and operated for demonstration or testing purposes shall be \$50 per year.

(c) The total registration fee for all snowmobiles owned by a manufacturer and operated for research, testing, experimentation, or demonstration purposes shall be \$150 per year. Dealer and manufacturer registrations are not transferable.

Sec. 7. Minnesota Statutes 1990, section 84.944, subdivision 2, is amended to read:

Subd. 2. [DESIGNATION OF ACQUIRED SITES.] The critical natural habitat acquired in fee title by the commissioner under this section shall be designated by the commissioner as: (1) an outdoor recreation unit pursuant to section 86A.07, subdivision 3, or (2) as provided in sections 97A.101, 97A.125, 97C.001, and 97C.011, ~~and 97C.021.~~ The commissioner may so designate any critical natural habitat acquired in less than fee title.

Sec. 8. Minnesota Statutes 1990, section 84.96, subdivision 5, is amended to read:

Subd. 5. [PAYMENTS.] (a) The commissioner must make payments to the landowner under this subdivision for the easement.

(b) For a permanent easement, the commissioner must pay 50 percent of the average equalized estimated market value of cropland in the township as established by the commissioner of revenue 65 percent of the permanent marginal agricultural land payment rate

as established by the board of water and soil resources for the time period when the application is made.

(c) For an easement of limited duration, the landowner shall receive a lump sum payment equal to the present value of the annual payments for the term of the easement based on 50 percent of the mean adjusted cash rental for cropland in the county as established by the commissioner of revenue commissioner must pay 65 percent of the permanent prairie bank easement rate for the time period when the application is made.

(d) To maintain and protect native prairies, the commissioner may enter into easements that allow selected agricultural practices. Payment must be based on paragraph (b) or (c) but may be reduced due to the agricultural practices allowed after negotiation with the landowner.

Sec. 9. [84.967] [ECOLOGICALLY HARMFUL SPECIES; DEFINITION.]

For the purposes of sections 10 to 12, "ecologically harmful exotic species" means non-native aquatic plants or wild animals that can naturalize, have high propagation potential, are highly competitive for limiting factors, and cause displacement of, or otherwise threaten, native plants or native animals in their natural communities.

Sec. 10. [84.968] [ECOLOGICALLY HARMFUL EXOTIC SPECIES MANAGEMENT PLAN.]

By January 1, 1993, a long-term statewide ecologically harmful exotic species management plan must be prepared by the commissioner of natural resources and address the following:

(1) coordinated detection and prevention of accidental introductions;

(2) coordinated dissemination of information about ecologically harmful exotic species among resource management agencies and organizations;

(3) a coordinated public awareness campaign regarding ecologically harmful exotic animals and aquatic plants;

(4) a process, where none exists, to designate and classify ecologically harmful exotic species into the following categories:

(i) undesirable wild animals that must not be sold, propagated, possessed, or transported; and

(ii) undesirable aquatic exotic plants that must not be sold, propagated, possessed, or transported;

(5) coordination of control and eradication of ecologically harmful exotic species on public lands and public waters; and

(6) develop a list of exotic wild animal species intended for nonagricultural purposes, or propagation for release by state agencies or the private sector.

Sec. 11. [84.969] [COORDINATING PROGRAM, GRANTS, AND REGIONAL COOPERATION.]

Subdivision 1. [COORDINATING PROGRAM.] The commissioner of natural resources shall establish a statewide coordinating program to prevent and curb the spread of ecologically harmful exotic animals and aquatic plants.

Subd. 2. [GRANTS.] The coordinating program created in subdivision 1 may accept gifts, donations, and grants to accomplish its duties and must seek available federal grants through the federal Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990. A portion of these funds shall be used to implement the plan under section 10.

Subd. 3. [REGIONAL COOPERATION.] The governor may cooperate, individually and regionally, with other state governors in the midwest for the purposes of ecologically harmful exotic species management and control.

Sec. 12. [84.9691] [RULEMAKING.]

The commissioner of natural resources may adopt rules, including emergency rules, to restrict the introduction, propagation, use, possession, and spread of ecologically harmful exotic animals and aquatic plants in the state.

Sec. 13. Minnesota Statutes 1990, section 85.015, is amended by adding a subdivision to read:

Subd. 16. [SUPERIOR VISTA TRAIL; ST. LOUIS AND LAKE COUNTIES.] The trail shall originate at the city of Duluth and shall extend in a northeasterly direction along the shoreline of Lake Superior to the city of Two Harbors. The trail shall be designed for bicycles and hikers, shall utilize existing highway and railroad right-of-way where possible, and shall be laid out in a manner to maximize the view of Lake Superior while traversing the length of the trail.

Sec. 14. [COORDINATION.]

When developing a plan to implement section 13, the commissioner shall involve the various jurisdictions through which the Superior Vista trail corridor would pass. This includes, but is not limited to, the St. Louis and Lake counties highway departments, the cities of Duluth and Two Harbors, the Minnesota department of transportation, and the St. Louis and Lake counties railroad authorities.

Sec. 15. Minnesota Statutes 1990, section 85.053, subdivision 5, is amended to read:

Subd. 5. [DAILY VEHICLE PERMIT FOR GROUPS.] The commissioner ~~may authorize~~ shall prescribe a special daily vehicle state park ~~permits~~ permit for groups by rule for use of state parks, state recreation areas, or state waysides for up to one day under conditions prescribed by the commissioner.

Sec. 16. Minnesota Statutes 1990, section 85.055, subdivision 1, is amended to read:

Subdivision 1. [FEES.] The fee for state park permits for:

- (1) an annual use of state parks is ~~\$16~~ \$18;
- (2) a second vehicle state park permit is ~~one-half the annual state park permit fee in clause (1)~~ \$12;
- (3) a special state park permit valid up to two days is ~~\$3.25~~ \$4;
- (4) a special daily vehicle state park permit for groups is ~~as prescribed by the commissioner~~ \$2;
- (5) an employee's state park permit is without charge;
- (6) a special state park permit for handicapped persons and persons over age 65 under section 85.053, subdivision 7, clauses (1) and (2), is ~~one-half the annual state park permit fee in clause (1)~~ \$12; and
- (7) a special state park permit valid up to two days for handicapped persons and persons over age 65 under section 85.053, subdivision 7, clauses (1) and (3), is ~~\$2~~ \$4.

The fees specified in this subdivision include any sales tax required by state law.

Sec. 17. Minnesota Statutes 1990, section 85.22, subdivision 1, is amended to read:

Subdivision 1. [DESIGNATION.] The revolving fund established under Laws 1941, chapter 548, section 37, subdivision E, item 4 is the state parks working capital account. The account is to be used to maintain and operate the revenue producing facilities and to operate the resource management and interpretive programs in the state parks within the limits in this section.

Sec. 18. Minnesota Statutes 1990, section 85.22, subdivision 2a, is amended to read:

Subd. 2a. [RECEIPTS, APPROPRIATION.] All receipts derived from the rental or sale of items in state parks park items shall be deposited in the state treasury and be credited to the state parks working capital account. The Money in the account is annually appropriated solely for the purchase and payment of expenses attributable to items for resale or rental.

Sec. 19. Minnesota Statutes 1990, section 86B.415, subdivision 7, is amended to read:

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, 5 for management of control, public awareness, law enforcement, monitoring, and research of nuisance aquatic exotic species such as zebra mussel, purple loosestrife, and Eurasian water milfoil according to law in public waters and public wetlands.

Sec. 20. [88.86] [MINNESOTA RELEAF PROGRAM.]

The Minnesota releaf program is established in the department of natural resources to encourage, promote, and fund the planting, maintenance, and improvement of trees in this state to reduce atmospheric carbon dioxide levels and promote energy conservation.

Sec. 21. [IMPLEMENTATION PLAN.]

Subdivision 1. [DESCRIPTION.] (a) The commissioner of natural resources in cooperation with the commissioners of the pollution control agency and department of agriculture shall prepare and submit to the legislative commission on Minnesota resources an implementation plan for the Minnesota releaf program containing the following elements:

(1) primary and secondary criteria for selecting projects for funding under the Minnesota releaf program; and

(2) recommended procedures for processing grant applications and allocating funds.

(b) The primary criteria developed under paragraph (a), clause (1), must include, but are not limited to:

(1) reduction and mitigation of adverse environmental impacts of atmospheric carbon dioxide; and

(2) promotion of energy conservation.

(c) The secondary criteria developed under paragraph (a), clause (1), must include, but are not limited to:

(1) balancing of urban and rural needs;

(2) preservation of existing trees in urban areas;

(3) promotion of biodiversity, including development of disease-resistant and drought-resistant tree species;

(4) erosion control;

(5) enhancement of wildlife habitat;

(6) encouragement of cost sharing with public and private entities;

(7) enhancement of recreational opportunities in urban and rural areas;

(8) coordination with existing state and federal programs;

(9) acceleration of the planting of harvestable timber;

(10) creation of employment opportunities for disadvantaged youth; and

(11) maximization of the use of volunteers.

Subd. 2. [DUTIES OF THE COMMISSIONER OF NATURAL RESOURCES.] By February 1, 1992, the commissioner of natural resources shall transmit to the legislature the implementation plan prepared under subdivision 1, and the recommendations prepared under subdivision 3, together with all recommended legislation to implement the Minnesota releaf program and the supporting fee structure.

Subd. 3. [DUTIES OF THE POLLUTION CONTROL AGENCY.] (a) The pollution control agency, in consultation with potentially affected parties, shall prepare implementation recommendations for

applying a fee on carbon dioxide emissions for the Minnesota releaf program. The agency's analysis must include:

(1) a review of the carbon dioxide sources and proposed fee base identified in the study prepared in accordance with Laws 1990, chapter 587, section 2;

(2) recommendations regarding exemptions, if any, that should be granted;

(3) a recommended method for measuring the amount of carbon dioxide emitted by various sources;

(4) a recommended procedure for administering and collecting the fees from the sources described in clause (3); and

(5) an estimate of revenue that would be generated by the fees.

(b) The agency shall submit implementation recommendations to the commissioner of natural resources by December 1, 1991.

Sec. 22. [LEGISLATIVE COMMISSION ON MINNESOTA RESOURCES PARTICIPATION.]

The commissioners of natural resources and pollution control agency shall include the preparation of the plans required for the implementation of the Minnesota releaf program as part of the tree and shrub planting project funded in article 1, section 14. In compliance with article 1, section 14, an amended work plan for the tree and shrub planting project including the Minnesota releaf plans shall be submitted to the legislative commission on Minnesota resources for approval.

Sec. 23. Minnesota Statutes 1990, 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~~ 1994, 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. 24. Minnesota Statutes 1990, section 97A.075, subdivision 2, is amended to read:

Subd. 2. [MINNESOTA MIGRATORY WATERFOWL STAMP.] The commissioner may use the revenue from the Minnesota migratory waterfowl stamps for:

- (1) development of wetlands in the state and designated waterfowl management lakes for maximum migratory waterfowl production including the construction of dikes, water control structures and impoundments, nest cover, rough fish barriers, acquisition of sites and facilities necessary for development and management of existing migratory waterfowl habitat and the creation of migratory waterfowl management lakes;
- (2) ~~protection and propagation~~ management of migratory waterfowl;
- (3) development, restoration, maintenance, or preservation of migratory waterfowl habitat;
- (4) acquisition of and access to structure sites; and
- (5) necessary related administrative costs not to exceed ten percent of the annual revenue.

Sec. 25. Minnesota Statutes 1990, section 97A.015, subdivision 53, is amended to read:

Subd. 53. [UNPROTECTED WILD ANIMALS.] "Unprotected wild animals" means wild animals that are not protected wild animals including weasel, coyote (brush wolf), gopher, porcupine, skunk, ~~and~~ civet cat, and unprotected birds.

Sec. 26. Minnesota Statutes 1990, section 97A.141, is amended by adding a subdivision to read:

Subd. 4. [COOPERATION WITH METROPOLITAN GOVERNMENTAL UNITS.] Local units of government owning lands adjacent to public waters within the seven-county metropolitan area shall cooperate with the commissioner to use those lands for public access purposes when identified by the commissioner under subdivision 1. If cooperation does not occur, the commissioner may use condemnation authority under this section to acquire an interest in the local government lands for public access purposes.

Sec. 27. Minnesota Statutes 1990, section 97A.325, subdivision 2, is amended to read:

Subd. 2. [DEER; ~~BEAR~~; MOOSE; ELK; CARIBOU.] Except as provided in subdivision 1, a person that violates a provision of the game and fish laws relating to buying or selling deer, bear, moose, elk, or caribou is guilty of a gross misdemeanor.

Sec. 28. Minnesota Statutes 1990, section 97A.431, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] Persons eligible for a moose license shall be determined under this section and commissioner's order. A person is eligible for a moose license only if the person:

(1) is a resident;

(2) is at least age 16 before the season opens; and

(3) has not been issued a moose license for any of the last five seasons or after January 1, 1991.

Sec. 29. Minnesota Statutes 1990, section 97A.435, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] Persons eligible for a turkey license shall be determined by this section and commissioner's order. A person is eligible for a turkey license only if the person is ~~a resident and~~ at least age 16 before the season opens or possesses a firearms safety certificate.

Sec. 30. Minnesota Statutes 1990, 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~~ \$16;

(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~~ six persons, \$275;

~~(8)~~ (7) to take bear, \$33; ~~and~~

~~(9)~~ (8) to take elk, for a party of not more than two persons, \$220; and

(9) to take antlered deer in more than one zone, \$44.

Sec. 31. Minnesota Statutes 1990, section 97A.475, subdivision 3, is amended to read:

Subd. 3. [NONRESIDENT HUNTING.] Fees for the following licenses, to be issued to nonresidents, are:

(1) to take small game, \$56;

(2) to take deer with firearms, \$110;

(3) to take deer by archery, \$110;

(4) to take bear, \$165;

(5) to take turkey, ~~\$33~~ \$56; and

(6) to take raccoon, bobcat, fox, coyote, or lynx, \$137.50.

Sec. 32. Minnesota Statutes 1990, section 97A.475, subdivision 7, is amended to read:

Subd. 7. [NONRESIDENT FISHING.] Fees for the following licenses, to be issued to nonresidents, are:

(1) to take fish by angling, ~~\$20~~ \$25;

(2) to take fish by angling limited to seven consecutive days, \$16.50;

(3) to take fish by angling for three consecutive days, \$13.50;

(4) to take fish by angling for a combined license for a family, ~~\$33.50~~ \$35;

(5) to take fish by angling for a period of 24 hours from the time of issuance, \$5; and

(6) to take fish by angling for a combined license for a married couple, limited to 14 consecutive days, \$25.

Sec. 33. Minnesota Statutes 1990, section 97A.485, subdivision 7, is amended to read:

Subd. 7. [COUNTY AUDITOR'S COMMISSION.] The county auditor shall retain for the county treasury a commission of four percent of all license fees collected by the auditor and the auditor's subagents, excluding the small game surcharge and issuing fees, the fishing surcharge and issuing fees, and the license to take fish by angling for persons age 65 and over. In addition, the auditor shall collect the issuing fees on licenses sold by the auditor to a licensee.

Sec. 34. Minnesota Statutes 1990, section 97B.601, subdivision 4, is amended to read:

Subd. 4. [EXCEPTION TO LICENSE REQUIREMENTS.] (a) A resident under age 16 may take small game without a small game license, and a resident under age 13 may trap without a trapping license, as provided in section 97A.451, subdivision 3.

(b) A person may take small game without a small game license on land occupied by the person as a principal residence.

(c) An owner or occupant may take certain small game causing damage without a small game or trapping license as provided in section 97B.655.

(d) A person may use dogs to pursue and tree raccoons under section 97B.621, subdivision 2, during the closed season without a license.

(e) A person may take turkey without a small game license.

Sec. 35. Minnesota Statutes 1990, section 97B.721, is amended to read:

97B.721 [LICENSE REQUIRED TO TAKE TURKEY.]

A person may not take turkey without ~~a small game license and a~~ turkey license.

Sec. 36. Minnesota Statutes 1990, section 103B.321, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] The board shall:

(1) develop guidelines for the contents of comprehensive water plans that provide for a flexible approach to meeting the different water and related land resources needs of counties and watersheds across the state;

(2) coordinate assistance of state agencies to counties and other local units of government involved in preparation of comprehensive water plans, including identification of pertinent data and studies available from the state and federal government;

(3) conduct an active program of information and education concerning the requirements and purposes of sections 103B.301 to 103B.355 in conjunction with the association of Minnesota counties;

(4) determine contested cases under section 103B.345;

(5) establish a process for review of comprehensive water plans that assures the plans are consistent with state law; and

(6) report to the legislative commission on Minnesota resources as required by section 103B.351; and

(7) make grants to counties for comprehensive local water planning, implementation of priority actions identified in approved plans, and sealing of abandoned wells.

Sec. 37. Minnesota Statutes 1990, section 116.07, subdivision 4d, is amended to read:

Subd. 4d. [PERMIT FEES.] (a) The agency may collect permit fees in amounts not greater than those necessary to cover the reasonable costs of reviewing and acting upon applications for agency permits and implementing and enforcing the conditions of the permits pursuant to agency rules. Permit fees shall not include the costs of litigation. The agency shall adopt rules under section 16A.128 establishing the amounts and methods of collection of any permit fees collected under this subdivision. Any money collected under this subdivision paragraph shall be deposited in the special revenue account.

(b) Notwithstanding paragraph (a), and section 16A.128, subdivision 1, the agency shall collect an annual fee from the owner or operator of all stationary sources, emission facilities, emissions units, air contaminant treatment facilities, treatment facilities, potential air contaminant storage facilities, or storage facilities subject to the requirement to obtain a permit under Title V of the federal Clean Air Act Amendments of 1990, Public Law Number 101-549, Statutes at Large, volume 104, pages 2399 et seq., or section 116.081. The annual fee shall be used to pay for all direct and indirect reasonable costs, including attorney general costs, required to develop and administer the permit program requirements of Title V of the federal Clean Air Act Amendments of 1990, Public Law Number 101-549, Statutes at Large, volume 104, pages 2399 et seq., and sections of this chapter and the rules adopted under this chapter related to air contamination and noise. Those costs

include the reasonable costs of reviewing and acting upon an application for a permit; implementing and enforcing statutes, rules, and the terms and conditions of a permit; emissions, ambient, and deposition monitoring; preparing generally applicable regulations; responding to federal guidance; modeling, analyses, and demonstrations; preparing inventories and tracking emissions; providing information to the public about these activities; and, after June 30, 1992, the costs of acid deposition monitoring currently assessed under section 116C.69, subdivision 3.

(c) The agency shall adopt fee rules in accordance with the procedures in section 16A.128, subdivisions 1a and 2a, that will result in the collection, in the aggregate, from the sources listed in paragraph (b), of the following amounts:

(1) in fiscal years 1992 and 1993, the amount appropriated by the legislature from the air quality account in the environmental fund for the agency's air quality program; and

(2) for fiscal year 1994 and thereafter, an amount not less than \$25 per ton of each volatile organic compound; pollutant regulated under United States Code, title 42, section 7411 or 7412 (section 111 or 112 of the federal Clean Air Act); pollutant regulated under Minnesota Rules, chapter 7005; and each pollutant, except carbon monoxide, for which a national or state primary ambient air quality standard has been promulgated.

The agency must not include in the calculation of the aggregate amount to be collected under the fee rules any amount in excess of 4,000 tons per year of each air pollutant from a source.

(d) To cover the reasonable costs described in paragraph (b), the agency shall provide in the rules promulgated under paragraph (c) for an increase in the fee collected in each year beginning after 1990 by the percentage, if any, by which the Consumer Price Index for the most recent calendar year ending before the beginning of the year the fee is collected exceeds the Consumer Price Index for the calendar year 1989. For purposes of this paragraph the Consumer Price Index for any calendar year is the average of:

(1) the Consumer Price Index for all-urban consumers published by the United States Department of Labor, as of the close of the 12-month period ending on August 31 of each calendar year; and

(2) the revision of the Consumer Price Index that is most consistent with the Consumer Price Index for calendar year 1989.

(e) Any money collected under paragraphs (b) to (d) must be deposited in an air quality account in the environmental fund and must be used solely for the activities listed in paragraph (b).

(f) The agency shall adopt the fee rules for this subdivision by September 1, 1991.

Sec. 38. [REPORT.]

The pollution control agency shall report to the legislature by December 30, 1992, on the following:

(1) the basis on which air emission fees are assessed for each pollutant;

(2) the basis on which air emission fees are distributed among various emission sources;

(3) how the scope and costs of Minnesota air emission fees and air quality programs compare to neighboring states; and

(4) the allocation of air emission fees among various programs within the air quality division.

Sec. 39. Minnesota Statutes 1990, section 116P.05, is amended to read:

116P.05 [LEGISLATIVE COMMISSION ON MINNESOTA RESOURCES.]

Subdivision 1. [MEMBERSHIP.] (a) A legislative commission on Minnesota resources of 16 members is created, consisting of the chairs of the house and senate committees on environment and natural resources or designees appointed for the terms of the chairs, the chairs of the house appropriations and senate finance committees or designees appointed for the terms of the chairs, six members of the senate appointed by the subcommittee on committees of the committee on rules and administration, and six members of the house appointed by the speaker. ~~The commission shall develop a budget plan for expenditures from the trust fund and shall adopt a strategic plan as provided in section 116P.08.~~

~~(b) The commission shall recommend expenditures to the legislature from the Minnesota future resources account under section 116P.13. At least two members from the senate and two members from the house must be from the minority caucus. Members are entitled to reimbursement for per diem expenses plus travel expenses incurred in the services of the commission.~~

~~(c) (b) Members shall appoint a chair who shall preside and convene meetings as often as necessary to conduct duties prescribed by this chapter.~~

~~(d)~~ (c) Members shall serve on the commission until their successors are appointed.

(e) ~~(d)~~ Vacancies occurring on the commission shall not affect the authority of the remaining members of the commission to carry out their duties, and vacancies shall be filled in the same manner under paragraph (a).

Subd. 2. [DUTIES.] (a) The commission shall recommend a budget plan for expenditures from the environment and natural resources trust fund and shall adopt a strategic plan as provided in section 116P.08.

(b) The commission shall recommend expenditures to the legislature from the Minnesota future resources fund under section 116P.13.

~~(f)~~ (c) The commission may adopt bylaws and operating procedures to fulfill their duties under sections 116P.01 to 116P.13.

Sec. 40. Minnesota Statutes 1990, section 116P.06, is amended to read:

116P.06 [ADVISORY COMMITTEE.]

Subdivision 1. [MEMBERSHIP.] (a) An advisory committee of 11 citizen members shall be appointed by the governor to advise the legislative commission on Minnesota resources on project proposals to receive funding from the trust fund and the development of budget and strategic plans. The governor shall appoint at least one member from each congressional district. The governor shall appoint the chair.

(b) The governor's appointees must be confirmed with the advice and consent of the senate. The membership terms, compensation, removal, and filling of vacancies for citizen members of the advisory committee are governed by section 15.0575.

Subd. 2. [DUTIES.] (a) The advisory committee shall:

(1) prepare and submit to the commission a draft strategic plan to guide expenditures from the trust fund;

(2) review the reinvest in Minnesota program during development of the draft strategic plan;

(3) gather input from the resources congress during development of the draft strategic plan;

(4) advise the commission on project proposals to receive funding from the trust fund; and

(5) advise the commission on development of the budget plan.

(b) The advisory committee may review all project proposals for funding and may make recommendations to the commission on whether the projects:

(1) meet the standards and funding categories set forth in sections 116P.01 to 116P.12;

(2) duplicate existing federal, state, or local projects being conducted within the state; and

(3) are consistent with the most recent strategic plan adopted by the commission.

Sec. 41. Minnesota Statutes 1990, section 116P.07, is amended to read:

116P.07 [RESOURCES CONGRESS.]

The commission must convene a resources congress at least once every biennium and shall develop procedures for the congress. The congress must be open to all interested individuals. The purpose of the congress is to collect public input necessary to allow the commission, with the advice of the advisory committee, to develop a strategic plan to guide expenditures from the trust fund. The congress also may be convened to receive and review reports on trust fund projects. The congress shall also review the reinvest in Minnesota program.

Sec. 42. Minnesota Statutes 1990, section 116P.08, subdivision 3, is amended to read:

Subd. 3. [STRATEGIC PLAN REQUIRED.] (a) The commission shall adopt a strategic plan for making expenditures from the trust fund, including identifying the priority areas for funding for the next six years. The reinvest in Minnesota program must be reviewed by the advisory committee, resources congress, and commission during the development of the strategic plan. The strategic plan must be updated every two years. The plan is advisory only. The commission shall submit the plan, as a recommendation, to the house of representatives appropriations and senate finance committees by January 1 of each odd-numbered year.

(b) The advisory committee shall work with the resources congress to develop a draft strategic plan to be submitted to the

~~commission for approval. The commission shall develop the procedures for the resources congress.~~

(e) The commission may accept or modify the draft of the strategic plan submitted to it by the advisory committee before voting on the plan's adoption.

Sec. 43. Minnesota Statutes 1990, section 116P.08, subdivision 4, is amended to read:

Subd. 4. [BUDGET PLAN.] (a) Funding may be provided only for those projects that meet the categories established in subdivision 1.

(b) Projects submitted to the commission for funding may be referred to the advisory committee for recommendation, ~~except that research proposals first must be reviewed by the peer review panel. The advisory committee may review all project proposals for funding and may make recommendations to the commission on whether:~~

~~(1) the projects meet the standards and funding categories set forth in sections 116P.01 to 116P.12;~~

~~(2) the projects duplicate existing federal, state, or local projects being conducted within the state; and~~

~~(3) the projects are consistent with the most recent strategic plan adopted by the commission.~~

(c) The commission must adopt a budget plan to make expenditures from the trust fund for the purposes provided in subdivision 1. The budget plan must be submitted to the governor for inclusion in the biennial budget and supplemental budget submitted to the legislature.

(d) Money in the trust fund may not be spent except under an appropriation by law.

Sec. 44. Minnesota Statutes 1990, section 116P.09, subdivision 2, is amended to read:

Subd. 2. [LIAISON OFFICERS.] The commission shall request each department or agency head of all state agencies with a direct interest and responsibility in any phase of environment and natural resources to appoint, and the latter shall appoint for the agency, a liaison officer who shall work closely with the commission and its staff. ~~The designated liaison officer shall attend all meetings of the advisory committee to provide assistance and information to committee members when necessary.~~

Sec. 45. Minnesota Statutes 1990, section 116P.09, subdivision 4, is amended to read:

Subd. 4. [PERSONNEL.] Persons who are employed by a state agency to work on a project and are paid by an appropriation from the trust fund or Minnesota future resources ~~account~~ fund are in the unclassified civil service, and their continued employment is contingent upon the availability of money from the appropriation. When the appropriation has been spent, their positions must be canceled and the approved complement of the agency reduced accordingly. Part-time employment of persons for a project is authorized.

Sec. 46. Minnesota Statutes 1990, section 116P.09, subdivision 7, is amended to read:

Subd. 7. [REPORT REQUIRED.] The commission shall, by ~~July 1~~ January 15 of each ~~even-numbered~~ odd-numbered year, submit a report to the governor, the chairs of the house appropriations and senate finance committees, and the chairs of the house and senate committees on environment and natural resources. Copies of the report must be available to the public. The report must include:

- (1) a copy of the current strategic plan;
- (2) a description of each project receiving money from the trust fund and Minnesota future resources ~~account~~ fund during the preceding ~~two years~~ biennium;
- (3) a summary of any research project completed in the preceding ~~two years~~ biennium;
- (4) recommendations to implement successful projects and programs into a state agency's standard operations;
- (5) to the extent known by the commission, descriptions of the projects anticipated to be supported by the trust fund and Minnesota future resources account during the next ~~two years~~ biennium;
- (6) the source and amount of all revenues collected and distributed by the commission, including all administrative and other expenses;
- (7) a description of the ~~trust fund's~~ trust fund's assets and liabilities of the trust fund and the Minnesota future resources fund;
- (8) any findings or recommendations that are deemed proper to assist the legislature in formulating legislation;
- (9) a list of all gifts and donations with a value over \$1,000; and

(10) a comparison of the amounts spent by the state for environment and natural resources activities through the most recent fiscal year; and

(11) a copy of the most recent ~~certified financial and~~ compliance audit.

Sec. 47. [GLEN DALOUGH STATE PARK.]

Subdivision 1. [85.012] [Subd. 23a.] [GLEN DALOUGH STATE PARK.] Glendalough state park is established in Otter Tail county.

Subd. 2. [ACQUISITION.] The commissioner of natural resources is authorized to acquire by gift or purchase the lands for Glendalough state park. The commissioner shall give emphasis to the management of wildlife within the park and shall interpret these management activities for the public. Except as otherwise provided in this subdivision, all lands acquired for Glendalough state park shall be administered in the same manner as provided for other state parks and shall be perpetually dedicated for that use.

Subd. 3. [PAYMENT IN LIEU OF TAXES FOR PRIVATE TRACTS.] (a) If a tract or lot or privately owned land is acquired for inclusion within Glendalough state park and, as a result of the acquisition, taxes are no longer assessed against the tract or lot or improvements on the tract or lot, the following amount shall be paid by the commissioner of natural resources to Otter Tail county for distribution to the taxing districts:

(1) in the first year after taxes are last required to be paid on the property, 55 percent of the last required payment;

(2) in the second year after taxes are last required to be paid on the property, 40 percent of the last required payment; and

(3) in the third year after taxes are last required to be paid on the property, 20 percent of the last required payment.

(b) The commissioner shall make the payments from money appropriated for state park maintenance and operation. The county auditor shall certify to the commissioner of natural resources the total amount due to a county on or before March 30 of the year in which money must be paid under this section. Money received by a county under this subdivision shall be distributed to the various taxing districts in the same proportion as the levy on the property in the last year taxes were required to be paid on the property.

Subd. 4. [BOUNDARIES.] The following described lands are located within the boundaries of Glendalough state park:

Government Lots 3 and 4 and that part of Lake Emma and its lake bed lying in Section 7; all of Section 18; Government Lot 1, the Northeast Quarter of the Northwest Quarter and the Southwest Quarter of the Northwest Quarter of Section 19; all in Township 133 North, Range 39 West.

All of Section 13; Government Lots 1 and 2, the West Half of the Southeast Quarter, the Northeast Quarter and the Southwest Quarter of Section 14; Government Lots 1 and 2, the East 66 feet of the West Half of the Southeast Quarter and the Northeast Quarter of Section 23; Government Lots 1, 2, 3, 4, 5, 6, and 8, the Northwest Quarter of the Northwest Quarter, the East Half of the Southeast Quarter of Section 24; that part of Government Lot 7 of Section 24 lying easterly of the following described line: commencing at the northeast corner of Government Lot 1 of Section 25, Township 133 North, Range 40 West; thence North 89 degrees 22 minutes 29 seconds West on an assumed bearing along the north line of said Section 25 a distance of 75.00 feet to the point of beginning; thence on a bearing of North 37 feet, more or less, to the shoreline of Molly Stark Lake and there terminating; that part of Government Lot 1 of Section 25 lying northerly of County State Aid Highway No. 16 and westerly of the following described line: commencing at the northeast corner of said Government Lot 1; thence on an assumed bearing of South along the east line of said Government Lot 1 a distance of 822.46 feet; thence North 77 degrees 59 minutes 14 seconds West 414.39 feet to the point of beginning; thence North 04 degrees 28 minutes 54 seconds East 707 feet, more or less, to the shoreline of Molly Stark Lake and there terminating; the westerly 50 feet except the northerly 643.5 feet of Government Lot 1 of Section 25; Government Lot 1 of Section 26 except the easterly 50 feet of the northerly 643.5 feet; all in Township 133 north, Range 40 West.

Sec. 48. [REPEALER.]

Minnesota Statutes 1990, section 116.86, is repealed.

Sec. 49. [EFFECTIVE DATE.]

Sections 15 and 16 are effective October 1, 1991. Sections 30, 31, and 32 are effective for the licensing year beginning March 1, 1992, and for each licensing year thereafter.

ARTICLE 3

AGRICULTURE

Section 1. [17.107] [FARM EQUIPMENT SAFETY AND MAINTENANCE PROGRAM FOR YOUTH.]

Subdivision 1. [PROGRAM COORDINATION.] The Minnesota

extension service, in cooperation with the commissioner of agriculture, shall implement a voluntary farm equipment safety program for training and certifying rural youth. The program must be designed to teach young operators to safely maintain and operate tractors and other farm implements. The extension service shall maintain records adequate to verify the names and addresses of students certified by the safety program.

Subd. 2. [INSTRUCTOR DEVELOPMENT.] Not later than August 1, 1991, the Minnesota extension service shall design a program for the recruitment and development of qualified instructors for the youth farm equipment safety program created under subdivision 1.

Subd. 3. [PAYMENT TO INSTRUCTORS.] From within public or nonpublic funds made available for the youth farm equipment safety program created under subdivision 1, the commissioner of agriculture may make payments of \$25 per student to qualified instructors on a per-student basis.

Sec. 2. Minnesota Statutes 1990, section 18.46, subdivision 6, is amended to read:

Subd. 6. [NURSERY STOCK GROWER.] A nursery operator: A "Nursery operator is any stock grower" means a person who owns, leases, manages, or is in charge of a nursery.

Sec. 3. Minnesota Statutes 1990, section 18.46, subdivision 9, is amended to read:

Subd. 9. [NURSERY STOCK DEALER.] A dealer: A "Nursery stock dealer is any" means a person who obtains nursery stock for the purpose of sale or distribution and includes any person who sells and distributes for more than one nursery operator stock grower. A person who purchases more than half of the nursery stock offered for sale at a sales location during the current certificate year shall be considered a nursery stock dealer rather than a nursery operator stock grower for the purposes of determining a proper fee schedule.

Sec. 4. Minnesota Statutes 1990, section 18.46, is amended by adding a subdivision to read:

Subd. 9a. [LANDSCAPER.] "Landscaper" is a nursery stock dealer who obtains certified nursery stock for immediate sale, distribution, or installation and who does not grow or maintain nursery stock for resale.

Sec. 5. Minnesota Statutes 1990, section 18.49, subdivision 2, is amended to read:

Subd. 2. [CERTIFICATE.] It is unlawful for a person to sell or distribute nursery stock to a nursery stock dealer or nursery operator stock grower who does not have a valid certificate of inspection grower's or dealer's certificate.

Sec. 6. Minnesota Statutes 1990, section 18.51, is amended to read:

18.51 [NURSERY STOCK GROWER'S CERTIFICATE OF INSPECTION.]

Subdivision 1. [CERTIFICATE REQUIRED.] Each nursery operator stock grower shall obtain a nursery stock grower's certificate of inspection from the commissioner. Said certificate shall be obtained before offering nursery stock for sale or distribution. Each certificate shall expire on November 15 December 31 of each year.

Subd. 2. [FEES; PENALTY.] A nursery operator stock grower shall pay an annual fee before the commissioner shall issue a certificate of inspection. This fee shall be based on the area of all of the operator's nursery stock grower's nurseries as follows:

Nurseries:

- | | |
|---|--|
| (1) 1/2 acre or less | <u>\$40</u> <u>\$70</u> per nursery <u>operator stock grower</u> |
| (2) Over 1/2 acre to and including 2 acres | <u>\$60</u> <u>\$85</u> per nursery <u>operator stock grower</u> |
| (3) Over 2 acres to and including 10 acres | <u>\$125</u> <u>\$150</u> per nursery <u>operator stock grower</u> |
| (4) Over 10 acres to and including 50 acres | <u>\$360</u> <u>\$400</u> per nursery <u>operator stock grower</u> |
| (5) Over 50 acres | <u>\$725</u> per nursery <u>operator stock grower</u> for the <u>first 50 acres</u> and <u>\$1</u> per acre for each additional acre |

In addition to the above fees, A minimum penalty of \$10 or 25 percent of the fee due, whichever is greater, shall be charged for any application for renewal not received by January 1 of the year following expiration of a certificate.

Sec. 7. Minnesota Statutes 1990, section 18.52, subdivision 1, is amended to read:

Subdivision 1. [CERTIFICATES REQUIRED.] A dealer's nursery

stock dealer certificate shall be obtained by every nursery stock dealer for each location before offering nursery stock for sale or distribution unless the nursery stock dealer holds a valid greenhouse or nursery operator's stock grower's certificate either of which will permit a single sales location. This certificate or a duplicate thereof shall be displayed in a prominent manner at each place where nursery stock is offered for sale. A certificate to sell or distribute certified nursery stock may be obtained by a nursery stock dealer or by an agent through a principal, from the commissioner. The commissioner may refuse to issue a dealer's nursery stock dealer or agent's agent certificate for cause.

Sec. 8. Minnesota Statutes 1990, section 18.52, subdivision 5, is amended to read:

Subd. 5. [FEES; PENALTY.] A nursery stock dealer shall pay an annual fee based on the dealer's gross sales during the preceding certificate year. A nursery stock dealer operating for the first year will pay the minimum fee.

Dealers:

(1)	Gross sales up to \$1,000 <u>\$5,000</u>	at a location \$40 <u>\$70</u> per location
(2)	Gross sales over <u>\$1,000</u> and up to <u>\$5,000</u>	at a location \$50 <u>per location</u>
(3)	Gross sales over \$5,000 up to \$10,000	at a location \$85 <u>\$100</u> per location
(4)	(3) Gross sales over \$10,000 up to \$25,000	at a location \$125 <u>\$200</u> per location
(5)	(4) Gross sales over \$25,000 up to \$75,000	at a location \$175 <u>\$300</u> per location
(6)	(5) Gross sales over \$75,000 up to \$100,000	at a location \$260 <u>\$400</u> per location
(7)	(6) Gross sales over \$100,000 <u>up to \$250,000</u>	at a location \$400 <u>\$500</u> per location
(7)	Gross sales over \$250,000	at a location <u>\$600</u> per location

In addition to the above fees, a minimum penalty of \$10 or 25 percent of the fee due, whichever is greater, shall be charged for any application for renewal not received by January 1 of the year following expiration of a certificate.

Sec. 9. Minnesota Statutes 1990, section 18.54, subdivision 2, is amended to read:

Subd. 2. [VIRUS DISEASE-FREE CERTIFICATION.] The commissioner shall have the authority to provide special services such as virus disease-free certification and other similar programs. Participation by nursery ~~operators~~ stock growers shall be voluntary. Plants offered for sale as certified virus-free must be grown according to certain procedures in a manner defined by the commissioner for the purpose of eliminating viruses and other injurious disease or insect pests. The commissioner shall collect reasonable fees from participating nursery ~~operators~~ stock growers for services and materials that are necessary to conduct this type of work, as provided in section 16A.128.

Sec. 10. Minnesota Statutes 1990, section 18.55, is amended to read:

18.55 [RECIPROCITY WITH OTHER STATES.]

Subdivision 1. [OUT-OF-STATE NURSERY OPERATOR STOCK GROWER, DEALER, OR AGENT.] A nursery ~~operator~~ stock grower, dealer, or agent from another state which issues certificates to nursery ~~operators~~ stock growers, dealers, or agents of Minnesota on the same or similar basis as to nursery ~~operators~~ stock growers, dealers, or agents of such state may operate in Minnesota upon complying with the plant pest act without procuring a Minnesota certificate. Any person from another state shipping nursery stock into Minnesota shall be accorded treatment similar to that which is required of Minnesota nursery ~~operators~~ stock growers, dealers, or agents who ship or sell nursery stock in such state. No reciprocity shall be extended under this section until the commissioner has first determined which states issue certificates to nursery ~~operators~~ stock growers, dealers, or agents of Minnesota on the same or similar basis as to nursery ~~operators~~ stock growers, dealers, or agents of such states.

Subd. 2. [FILING OUT-OF-STATE CERTIFICATES OF INSPECTION.] Each out-of-state nursery ~~operator~~ stock grower or dealer whose nursery stock is sold, offered for sale, or distributed within this state shall file a certified current copy of an out-of-state certificate in the office of the commissioner. The commissioner may accept, in lieu of such individual certificates, a certified list of current certified nursery ~~operators~~ stock growers or dealers from the regulatory agency having jurisdiction in the state of origin, and may distribute such lists to persons in the state of Minnesota requesting them. The commissioner also may supply certified lists of certified Minnesota nursery ~~operators~~ stock growers and dealers offering nursery stock for sale in Minnesota and other states on request of any person. If any certified nursery ~~operator~~ stock grower or dealer has violated any provisions of the plant pest act, the filed certificate will be voided or the nursery ~~operator's~~ person's name will be stricken from the appropriate certified list.

Sec. 11. Minnesota Statutes 1990, section 18.56, is amended to read:

18.56 [TAGS.]

A tag bearing a reasonable facsimile of the nursery stock grower or dealer certificate of inspection shall be attached to every package or bundle of nursery stock sold or transported by any person. The form of each tag shall be approved by the commissioner before being used.

Sec. 12. Minnesota Statutes 1990, section 18.57, is amended to read:

18.57 [CARRIERS NOT TO ACCEPT UNTAGGED STOCK.]

All carriers for hire, including railroad companies, express companies and truck lines shall not accept nursery stock which is not tagged with a valid tag of the nursery stock grower or dealer making the shipment. The carrier shall promptly notify the commissioner regarding any prohibited shipment.

Sec. 13. Minnesota Statutes 1990, section 18.60, is amended to read:

18.60 [PENALTIES.]

Subdivision 1. [~~CERTIFICATE MAY BE REVOKED~~ REVOCA-TION.] In addition to or in lieu of administrative penalties under subdivision 2, the certificate of any person violating any of the provisions of the plant pest act may be suspended or revoked by the commissioner upon five days notice and opportunity to be heard.

Subd. 2. [~~MISDEMEANOR ADMINISTRATIVE PENALTY.~~] Any person violating any of the provisions of the plant pest act, or any rule promulgated thereunder shall be guilty of a misdemeanor. The commissioner may impose an administrative penalty on a person who violates sections 18.44 to 18.61. For a first violation, the commissioner may impose an administrative penalty of not more than \$1,000 for each violation. For a second or succeeding violation, the commissioner may impose an administrative penalty of not more than \$1,500 for each violation. Each day a violation continues is a separate violation. In determining the amount of the administrative penalty to be assessed under this section, the commissioner shall consider the gravity of the offense, the size of the business involved, and the effect of the penalty on the person's ability to continue in business.

Subd. 3. [APPEAL.] A person adversely affected by an act, order,

or ruling made under this section, or a rule adopted under the plant pest act, may appeal under chapter 14.

Sec. 14. Minnesota Statutes 1990, section 27.19, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED ACTS.] (a) A person subject to the provisions of this section and sections 27.01 to 27.15 may not:

(1) operate or advertise to operate as a dealer at wholesale without a license;

(2) make any false statement or report as to the grade, condition, markings, quality, or quantity of produce, as defined in section 27.069, received or delivered, or act in any manner to deceive a consignor or purchaser;

(3) refuse to accept a shipment contracted for by the person, unless the refusal is based upon the showing of a state inspection certificate secured with reasonable promptness after the receipt of the shipment showing that the kind and quality of produce, as defined in section 27.069, is other than that purchased or ordered by the person;

(4) fail to account or make a settlement for produce within the required time;

(5) violate or fail to comply with the terms or conditions of a contract entered into by the person for the purchase or sale of produce;

(6) purchase for a person's own account any produce received on consignment, either directly or indirectly, without the consent of the consignor;

(7) issue a false or misleading market quotation, or cancel a quotation during the period advertised by the person;

(8) increase the sales charges on produce shipped to the person by means of "dummy" or fictitious sales;

(9) receive decorative forest products and the products of farms and waters from foreign states or countries for sale or resale, either within or outside of the state, and give the purchaser the impression, through any method of advertising or description, that the produce is of Minnesota origin;

(10) fail to notify in writing all suppliers of produce of the protection afforded to suppliers by the person's licensee bond, includ-

ing: availability of a bond, notice requirements, and any other conditions of the bond;

(11) make a false statement to the commissioner on an application for license or bond or in response to written questions from the commissioner regarding the license or bond;

(12) commit to pay and not pay in full for all produce committed for. A processor may not pay an amount less than the full contract price if the crop produced is satisfactory for processing and is not harvested for reasons within the processor's control. If the processor sets the date for planting, bunching, unusual yields, and a processor's inability or unwillingness to harvest must be considered to be within the processor's control. Under this clause growers must be compensated for passed acreage at the same rate for grade and yield as they would have received had the crop been harvested in a timely manner minus any contractual provision for green manure or feed value. Both parties are excused from payment or performance for crop conditions that are beyond the control of the parties; or

(13) discriminate between different sections, localities, communities, or cities, or between persons in the same community, by purchasing produce from farmers of the same grade, quality, and kind, at different prices, except that price differentials are allowed if directly related to the costs of transportation, shipping, and handling of the produce and a person is allowed to meet the prices of a competitor in good faith, in the same locality for the same grade, quality, and kind of produce. A showing of different prices by the commissioner is prima facie evidence of discrimination.

(b) A separate violation occurs with respect to each different person involved, each purchase or transaction involved, and each false statement.

Sec. 15. Minnesota Statutes 1990, section 28A.08, is amended to read:

28A.08 [LICENSE FEES; PENALTIES.]

License fees, penalties for late renewal of licenses, and penalties for not obtaining a license before conducting business in food handling that are set in this section apply to the sections named except as provided under section 28A.09. Except as specified herein, bonds and assessments based on number of units operated or volume handled or processed which are provided for in said laws shall not be affected, nor shall any penalties for late payment of said assessments, nor shall inspection fees, be affected by this chapter. The late penalty penalties may be waived by the commissioner.

Type of food handler	Penalties		
	License Fee	Late Renewal	No License
1. Retail food handler			
(a) <u>Having gross sales of only prepackaged nonperishable food of less than \$50,000 \$15,000 for the immediately previous license or fiscal year and filing a statement with the commissioner</u>	\$ 40	\$ 15	\$ 25
(b) <u>Having under \$15,000 gross sales including food preparation or having \$15,000 to \$50,000 gross sales for the immediately previous license or fiscal year</u>	\$ 55	\$ 15	\$ 25
(b) (c) <u>Having \$50,000 to \$250,000 gross sales for the immediately previous license or fiscal year</u>	\$ 75 \$105	\$ 25 \$ 35	\$ 25 \$ 75
(e) (d) <u>Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year</u>	\$125 \$180	\$ 50	\$ 50 \$100
(d) (e) <u>Having over \$1,000,000 to \$5,000,000 gross sales for the immediately previous license or fiscal year</u>	\$250 \$500	\$ 75 \$100	\$100 \$175
(f) <u>Having \$5,000,000 to \$10,000,000 gross sales for the immediately previous license or fiscal year</u>	\$700	\$150	\$300
(g) <u>Having over \$10,000,000 gross sales for the immediately previous license or fiscal year</u>	\$800	\$200	\$350
2. Wholesale food handler			
(a) <u>Having gross sales or service of less than \$250,000 for the immediately previous license or fiscal year</u>	\$100 \$200	\$ 25 \$ 50	\$ 50 \$100

	(b) Having \$250,000 to \$1,000,000 gross sales or service for the immediately previous license or fiscal year	<u>\$150</u> <u>\$400</u>	\$ 38 <u>\$100</u>	\$ 75 <u>\$200</u>
	(c) Having over \$1,000,000 to <u>\$5,000,000</u> gross sales or service for the immediately previous license or fiscal year	<u>\$200</u> <u>\$500</u>	\$ 50 <u>\$125</u>	<u>\$100</u> <u>\$250</u>
	(d) <u>Having over \$5,000,000 gross sales for the immediately previous license or fiscal year</u>	<u>\$575</u>	<u>\$150</u>	<u>\$300</u>
3.	Food broker	\$ 75 <u>\$100</u>	\$ 25 <u>\$ 30</u>	\$ 25 <u>\$ 50</u>
4.	Wholesale food processor or manufacturer			
	(a) Having gross sales of less than \$250,000 for the immediately previous license or fiscal year	<u>\$200</u> <u>\$275</u>	\$ 50 <u>\$ 75</u>	\$ 75 <u>\$150</u>
	(b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	<u>\$275</u> <u>\$400</u>	\$ 75 <u>\$100</u>	<u>\$100</u> <u>\$200</u>
	(c) Having over \$1,000,000 to <u>\$5,000,000</u> gross sales for the immediately previous license or fiscal year	<u>\$375</u> <u>\$500</u>	<u>\$100</u> <u>\$125</u>	<u>\$125</u> <u>\$250</u>
	(d) <u>Having over \$5,000,000 gross sales for the immediately previous license or fiscal year</u>	<u>\$575</u>	<u>\$150</u>	<u>\$300</u>
5.	Wholesale food processor of meat or poultry products under supervision of the U. S. Department of Agriculture			
	(a) Having gross sales of less than \$250,000 for the immediately previous license of or fiscal year	<u>\$100</u> <u>\$150</u>	\$ 25 <u>\$ 50</u>	\$ 38 <u>\$ 75</u>
	(b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	<u>\$150</u> <u>\$225</u>	\$ 50 <u>\$ 75</u>	\$ 45 <u>\$125</u>

(c) Having over <u>\$1,000,000 to \$5,000,000 gross sales for the immediately previous license or fiscal year</u>	<u>\$175</u> <u>\$275</u>	<u>\$ 50</u> <u>\$ 75</u>	<u>\$ 53</u> <u>\$150</u>
(d) <u>Having over \$5,000,000 gross sales for the immediately previous license or fiscal year</u>	<u>\$325</u>	<u>\$100</u>	<u>\$175</u>
6. Wholesale food manufacturer having the permission of the commissioner to use the name Minnesota farmstead cheese	\$ 30	\$ 10	\$ 15
7. <u>Nonresident frozen dairy manufacturer</u>	<u>\$200</u>	<u>\$ 50</u>	<u>\$ 75</u>

Sec. 16. Minnesota Statutes 1990, section 29.22, is amended to read:

29.22 [DEALERS EGG HANDLERS ANNUAL INSPECTION FEE; DISPOSITION OF FEES.]

Subd. 2. [~~COMPUTATION; FEE SCHEDULE; RECORDS.~~] In addition to the annual ~~dealer's food handler's~~ license, required under section 28A.04, there ~~shall be~~ is an annual inspection fee applicable to every person who engages in the business of buying for resale, selling, ~~dealing,~~ or trading in eggs except a retail grocer who sells eggs previously candled and graded, ~~such.~~ The fee ~~to~~ must be computed on the basis of the number of cases of shell eggs handled at each place of business during the ~~month of April of each year,~~ providing that if said dealer or processor is not operating during the month of April, the department shall estimate the volume of shell eggs handled, and may revise the fee after three months of operation. In the event that highest volume month of each licensing year. If a given lot of eggs is moved from one location of business to a second location of business and ~~provided that the dealers' food handler's license is held by the same person at both locations, the given lot of eggs shall~~ must be counted in determining the volume of business on which the inspection fee is based at the first location of business but ~~shall~~ must not enter into the computation of volume of business for the second location. For the purpose of determining fees, a case shall be "case" means one of 30 dozen capacity. The schedule of fees ~~shall be~~ is as follows:

**VOLUME (30 DOZEN CASES) IN APRIL MINIMUM -
MAXIMUM FEE**

<u>HIGHEST VOLUME OF CASES EACH LICENSING YEAR</u>	<u>FEE</u>
1 - 100	\$ 5 - \$ 10
51 - 100	\$ 25
101 - 1000	\$ 10 - \$ 25 \$ 50
1001 - 2000	\$ 25 - \$ 50 \$ 75
2001 - 4000	\$ 50 - \$ 75 \$100
4001 - 6000	\$ 75 - \$100 \$125
6001 - 8000	\$100 - \$125 \$150
8001 - 10,000	\$125 - \$150 \$200
OVER 10,000	\$150 - \$200 \$250

The commissioner shall fix the annual inspection fee within the limits set herein and may annually adjust the fee, as the commissioner deems necessary, within those limits, to more nearly meet the costs of inspection required to enforce the provisions of sections 29.21 to 29.28. Each person subject to such the inspection fee in this section shall, under the direction of the commissioner, keep such records as may be necessary to accurately determine the volume of shell eggs on which the inspection fee is due and shall prepare annually a written report of such the volume upon forms supplied by the commissioner. This report, together with the required inspection fee, shall must be filed with the department on or before the last day of May of each year.

Subd. 3. [CANDLERS AND GRADERS.] The commissioner shall have has general supervisory powers over the candlers and graders of eggs and may conduct, in collaboration with the institute college of agriculture and the extension service of the University of Minnesota, an educational and training program to improve the efficiency and quality of the work done by such candlers.

Subd. 4. [EGG BREAKING PLANTS.] Any person engaged in the business of breaking eggs for resale shall at all times comply with the rules of the department in respect to the conduct of such that business. The commissioner shall collect from each egg breaking plant laboratory fees for routine analysis and full reimbursement for services performed by a state inspector assigned to that plant on a continuous basis as provided for in under section 29.27.

Subd. 5. [DEPOSIT DISPOSITION OF FEES; APPROPRIATION.] All fees collected, together with and all fines paid for any a violation of any provision of sections 29.21 to 29.28 or any rules promulgated thereunder under those sections, as well as all license fees and penalties for late license renewal, shall must be deposited in the state treasury, and shall be credited to a separate account to be known as the egg law inspection fund, which is hereby created,

set aside, and appropriated as a revolving fund to be used by the department to help defray the expense of inspection, supervision, and enforcement of sections 29.21 to 29.28 and shall be in addition to and not in substitution for the sums regularly appropriated or otherwise made available for this purpose to the department.

Sec. 17. Minnesota Statutes 1990, section 31.39, is amended to read:

31.39 [ASSESSMENTS; INSPECTION SERVICES; COMMERCIAL CANNERIES ACCOUNT.]

The commissioner is hereby authorized and directed to collect from each commercial cannery an assessment for inspection and services furnished, and for maintaining a bacteriological laboratory and employing such bacteriologists and trained and qualified sanitarians as the commissioner may deem necessary. The assessment to be made on each commercial cannery, for each and every packing season, shall not exceed one-half cent per case on all foods packed, canned, or preserved therein, nor shall the assessment in any one calendar year to any one cannery exceed ~~\$2,500~~ \$3,000, and the minimum assessment to any cannery in any one calendar year shall be \$100; ~~provided, that the amount of the annual license fee collected under section 28A.08 shall be used to reduce the annual assessment for that year.~~ The commissioner shall provide appropriate deductions from assessments for the net weight of meat, chicken, or turkey ingredients which have been inspected and passed for wholesomeness by the United States Department of Agriculture. The commissioner may, when the commissioner deems it advisable, graduate and reduce the assessment to such sum as is required to furnish the inspection and laboratory services rendered. The assessment made and the license fees, penalties, and other sums so collected shall be deposited in the state treasury, as other departmental receipts are deposited, but shall constitute a separate account to be known as the commercial canneries inspection account, which is hereby created, and together with moneys now remaining in said account, set aside, and appropriated as a revolving fund, to meet the expense of special inspection, laboratory and other services rendered, as provided in sections 31.31 to 31.392. The amount of such assessment shall be due and payable on or before December 31, of each year, and if not paid on or before February 15 following, shall bear interest after that date at the rate of seven percent per annum, and a penalty of ten percent on the amount of the assessment shall also be added and collected.

Sec. 18. Minnesota Statutes 1990, section 32.394, subdivision 8, is amended to read:

Subd. 8. [GRADE A INSPECTION FEES.] A processor or marketing organization of milk, milk products, sheep milk, or goat milk who wishes to market Grade A milk or use the Grade A label must

apply for Grade A inspection service from the commissioner. A pasteurization plant requesting Grade A inspection service must hold a Grade A permit and pay an annual inspection fee of no more than \$500. For Grade A farm inspection service, the fee must be no more than ~~\$66~~ \$50 per farm, paid annually by the processor or by the marketing organization on behalf of its patrons. For a farm requiring a reinspection in addition to the required biannual inspections, an additional fee of no more than ~~\$33~~ \$25 per reinspection must be paid by the processor or by the marketing organization on behalf of its patrons. ~~If the commissioner deems it necessary to more nearly meet the cost of the service, the commissioner may annually adjust the assessments within the limits set in this subdivision. The Grade A farm inspection fee must not exceed the lesser of (1) 40 percent of the department's actual average cost per farm inspection or reinspection; or (2) the dollar limits set in this subdivision. No fee increase may be implemented until after the commissioner has held three or more public hearings.~~

Sec. 19. Minnesota Statutes 1990, section 32.394, subdivision 8b, is amended to read:

Subd. 8b. [MANUFACTURING GRADE FARM CERTIFICATION.] A processor or marketing organization of milk, milk products, sheep milk, or goat milk who wishes to market other than Grade A milk must apply for a manufacturing grade farm certification inspection from the commissioner. A manufacturing plant that pasteurizes milk or milk by-products must pay an annual fee based on the number of pasteurization units. This fee must not exceed \$140 per unit. The fee for farm certification inspection must not be more than ~~\$33~~ \$25 per farm to be paid annually by the processor or by the marketing organization on behalf of its patrons. For a farm requiring more than the one ~~annual~~ inspection required for certification, ~~an additional a reinspection~~ fee of no more than ~~\$33~~ \$25 must be paid by the processor or by the marketing organization on behalf of its patrons. The fee must be set by the commissioner in an amount necessary to ~~meet cover~~ 40 percent of the department's actual cost of ~~providing the service~~ annual inspection but must not exceed the limits in this subdivision. No fee increase may be implemented until after the commissioner has held three or more public hearings.

Sec. 20. Minnesota Statutes 1990, section 32.394, is amended by adding a subdivision to read:

Subd. 8d. [PROCESSOR ASSESSMENT.] (a) A manufacturer shall pay to the commissioner a fee for fluid milk processed and milk used in the manufacture of fluid milk products sold in Minnesota. Beginning July 1, 1991, the fee is five cents per hundredweight. If the commissioner determines that a different fee, not exceeding nine cents per hundredweight, when combined with general fund appropriations and fees charged under sections 17 and 18, is needed to

provide adequate funding for the Grades A and B inspection programs, the commissioner may, by rule, change the fee on processors.

(b) Processors must report quantities of milk processed under paragraph (a) on forms provided by the commissioner. Processor fees must be paid monthly. The commissioner may require the production of records as necessary to determine compliance with this subdivision.

Sec. 21. Minnesota Statutes 1990, section 41A.09, subdivision 3, is amended to read:

Subd. 3. [PAYMENTS FROM ACCOUNT.] The commissioner of revenue shall make cash payments to producers of ethanol or wet alcohol located in the state. These payments shall apply only to ethanol or wet alcohol fermented in the state. The amount of the payment for each producer's annual production shall be as follows:

(a) For each gallon of ethanol produced:

(1) For the period beginning July 1, 1986, and ending June 30, 1987, 15 cents per gallon;

(2) For the period beginning July 1, 1987, and ending June 30, 2000, 20 cents per gallon.

(b) For each gallon produced of wet alcohol during the period beginning July 1, 1989, and ending June 30, 2000, a payment in cents per gallon calculated by the formula "alcohol purity in percent divided by five," and rounded to the nearest cent per gallon, but not less than 11 cents per gallon. The producer payment for wet alcohol under this section may be paid to either the original producer of wet alcohol or the secondary processor, at the option of the original producer, but not to both.

(c) The total payments from the fund to all producers may not exceed \$200,000 during the period beginning July 1, 1986, and ending June 30, 1987, and may not exceed \$10,000,000 in any fiscal year during the period beginning July 1, 1987, and ending June 30, 1991, and may not exceed \$4,500,000 in any fiscal year during the period beginning July 1, 1991, and ending June 30, 2000. Total payments to any producer from the account in any fiscal year may not exceed \$3,000,000.

By the last day of October, January, April, and July, each producer shall file a claim for payment for production during the preceding three calendar months. The volume of production must be verified by a certified financial audit performed by an independent certified public accountant using generally accepted accounting procedures.

Payments shall be made November 15, February 15, May 15, and August 15.

Sec. 22. [137.341] [FARM SAFETY SPECIALIST POSITION.]

The Minnesota legislature finds that because the extension service has unique opportunities for delivering health and safety messages to farm families, the extension service is urged to retain and, to the extent practicable, keep filled at all times, the staff position of farm safety specialist.

Sec. 23. [137.342] [RESEARCH CENTER FOR AGRICULTURAL HEALTH AND SAFETY.]

Subdivision 1. [CREATION.] There is created within the division of environmental and occupational health in the University of Minnesota school of public health and under its direction an interagency, interdisciplinary research center for agricultural health and safety. The center shall coordinate funding for, and the findings of, research projects designed to reduce injury and death from farm accidents, reduce long-term exposure to potentially hazardous agricultural agents, and make health care services more available to persons who suffer from health problems related to agriculture.

Subd. 2. [FARM SAFETY ADVISORY COMMISSION.] The commissioner of agriculture may appoint a farm safety advisory commission to support, review, and monitor the programs and activities of the research center for agricultural health and safety. Appointees to the commission must represent a broad range of interests including education, production farming, agricultural wholesale and retail businesses, statewide farm organizations, and manufacturers of agricultural machinery and chemicals. The advisory commission may assist in raising funds and developing resources for the promotion of farm safety. The advisory commission may participate in farm safety advertising campaigns, farm equipment safety training, and farm safety audit programs.

SAFETY EQUIPMENT ON FARM TRACTORS

Sec. 24. [325F.6670] [EQUIPMENT REQUIRED AT TIME OF SALE.]

(a) No farm equipment dealer or other seller required to collect an excise tax under section 297A.02 may sell a farm tractor as defined in section 325F.6651, subdivision 2, unless, at the time of sale, the tractor is equipped with safety equipment as provided in paragraphs (b) and (c).

(b) If originally provided by the manufacturer, the farm tractor must have

(1) power-take-off shields; and

(2) road transport lighting and reflector systems.

(c) Whether or not originally provided by the manufacturer, the farm tractor must have a slow-moving vehicle sign displayed in accordance with section 169.522.

Sec. 25. [FARM SAFETY AUDIT PILOT PROJECT.]

Subdivision 1. [FINDING.] Farming continues to be one of the most dangerous occupations. All members of farm families experience risks and disabling accidents at a rate much higher than the general population of the state. A pilot project is needed to evaluate the effectiveness of farm safety audits in improving farm safety.

Subd. 2. [FARM SAFETY AUDIT PILOT PROJECT] The Minnesota extension service shall coordinate and carry out a farm safety audit pilot project involving comprehensive farm safety audits, performed as part of a partnership with selected township mutual insurance companies.

Subd. 3. [REPORT.] The Minnesota extension service and the commissioner of agriculture shall report by January 1, 1994, to the agriculture committees of the senate and house of representatives on the findings of the farm safety audit pilot project.

Sec. 26. [FARM VEHICLES AND DRIVERS; PUBLIC ROAD SAFETY RECOMMENDATIONS.]

The commissioner of public safety shall report to the legislature by July 1, 1992, on recommendations for changes in statute, administrative rule, or public education materials and practices to improve public road safety related to requirements for lighting and reflectors on farm vehicles.

Sec. 27. [PESTICIDE APPLICATOR TRAINING; EFFECTIVENESS.]

The Minnesota pesticide applicator education and training review board shall perform an evaluation of the extent to which the Minnesota extension service applicator training programs have resulted in safer handling of pesticides. The commissioner of agriculture shall report to the legislature on the findings of the board not later than April 1, 1992.

Sec. 28. [CONTINUED LEVEL OF DAIRY FARM INSPECTIONS.]

The commissioner of agriculture must continue dairy farm inspections at a level no lower than 1990.

Sec. 29. Laws 1987, chapter 396, article 6, section 2, is amended to read:

Sec. 2. [17.107] [MINNESOTA GROWN MATCHING ACCOUNT.]

Subdivision 1. **[ESTABLISHMENT.]** The Minnesota grown matching account is established as a separate account in the state treasury. The account shall be administered by the commissioner of agriculture as provided in this section.

Subd. 2. **[FUNDING SOURCES.]** The Minnesota grown matching account shall consist of contributions from private sources and appropriations.

Subd. 3. **[APPROPRIATIONS MUST BE MATCHED BY PRIVATE FUNDS.]** (a) Appropriations to the Minnesota grown matching account may be expended only to the extent that they are matched with contributions to the account from private sources as provided in paragraph (b) for fiscal years 1988 and 1989.

(b) Private contributions shall be matched on a basis of four dollars \$4 of the appropriation to each one dollar \$1 of private contributions. Matching funds are not available after the appropriation is encumbered. Private contributions made from January 1, 1987, until the end of fiscal year 1987 shall be matched by the appropriation for fiscal year 1988. Amounts that are not matched in fiscal year 1988 are available to be matched in fiscal year 1989.

Subd. 4. **[EXPENDITURES.]** The amount in the Minnesota grown matching account that is matched by private contributions and the private contributions are appropriated to the commissioner of agriculture for promotion of products using the Minnesota grown logo and labeling.

Sec. 30. [EFFECTIVE DATE.]

Sections 1 and 22 are effective the day following final enactment. Section 14 is effective the day following final enactment and covers contracts for the 1991 crop year. Sections 23 and 25 are effective July 1, 1991. Section 24 is effective October 1, 1991."

Delete the title and insert:

“A bill for an act relating to the organization and operation of state government; appropriating money for environmental, natural resources, and agricultural purposes; regulating the amounts, impositions, and processing of various fees prescribed for various licenses issued and activities regulated by the departments of agriculture and natural resources; amending Minnesota Statutes 1990, sections 14.18; 16A.123, subdivision 5; 18.191; 18.46, subdivisions 6, 9, and by adding a subdivision; 18.49, subdivision 2; 18.51; 18.52, subdivisions 1 and 5; 18.54, subdivision 2; 18.55; 18.56; 18.57; 18.60; 27.19, subdivision 1; 28A.08; 29.22; 31.39; 32.394, subdivisions 8, 8b, and by adding a subdivision; 41A.09, subdivision 3; 84.0855; 84.82, subdivisions 2 and 3; 84.944, subdivision 2; 84.96, subdivision 5; 85.015, by adding a subdivision; 85.053, subdivision 5; 85.055, subdivision 1; 85.22, subdivisions 1 and 2a; 86B.415, subdivision 7; 92.67, subdivision 1; 97A.075, subdivision 2; 97A.015, subdivision 53; 97A.141, by adding a subdivision; 97A.325, subdivision 2; 97A.431, subdivision 2; 97A.435, subdivision 2; 97A.475, subdivisions 2, 3, and 7; 97A.485, subdivision 7; 97B.601, subdivision 4; 97B.721; 103B.321, subdivision 1; 116.07, subdivision 4d; 116P.05; 116P.06; 116P.07; 116P.08, subdivisions 3 and 4; 116P.09, subdivisions 2, 4, and 7; and Laws 1987, chapter 396, article 6, section 2; proposing coding for new law in Minnesota Statutes, chapters 17; 84; 88; 137; and 325F; repealing Minnesota Statutes 1990, section 116.06.”

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

Senate Conferees: STEVEN MORSE, CHARLES R. DAVIS, GENE MERRIAM, DENNIS R. FREDERICKSON AND GARY W. LAIDIG.

House Conferees: DAVID P. BATTAGLIA, STEPHEN G. WENZEL, TOM OSTHOFF, VIRGIL J. JOHNSON AND MARY JO MCGUIRE.

Battaglia moved that the report of the Conference Committee on S. F. No. 1533 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1533, A bill for an act relating to the organization and operation of state government; appropriating money for the protection of the state's environment and natural resources; amending Minnesota Statutes 1990, sections 14.18; 41A.09, subdivision 3; 85A.02, subdivision 17; 103B.321, subdivision 1; and 116P.11.

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 123 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Abrams	Goodno	Krinkie	Olson, E.	Skoglund
Anderson, I.	Greenfield	Krueger	Olson, K.	Smith
Anderson, R. H.	Gruenes	Lasley	Onnann	Solberg
Battaglia	Gutknecht	Leppik	Onnen	Sparby
Bauerly	Hanson	Lieder	Orenstein	Stanius
Beard	Hartle	Limmer	Orfield	Steenasma
Begich	Hasskamp	Long	Osthoff	Sviggum
Bertram	Hausman	Lourey	Ostrom	Swenson
Blatz	Heir	Lynch	Ozment	Thompson
Bodahl	Henry	Macklin	Pauly	Tompkins
Boo	Hufnagle	Mariani	Pellow	Trimble
Brown	Hugoson	Marsh	Pelowski	Tunheim
Carlson	Jacobs	McEachern	Peterson	Uphus
Carruthers	Janezich	McGuire	Pugh	Valento
Clark	Jefferson	McPherson	Reding	Vellenga
Cooper	Jennings	Milbert	Rice	Wagenius
Dawkins	Johnson, A.	Morrison	Rodosovich	Waltman
Dempsey	Johnson, R.	Munger	Runbeck	Weaver
Dille	Johnson, V.	Murphy	Sarna	Wejcman
Dorn	Kahn	Nelson, K.	Schafer	Welle
Erhardt	Kalis	Nelson, S.	Scheid	Wenzel
Farrell	Kelso	Newinski	Schreiber	Winter
Frederick	Kinkel	O'Connor	Seaberg	Spk. Vanasek
Garcia	Knickerbocker	Ogren	Segal	
Girard	Koppendrayner	Olsen, S.	Simoneau	

Those who voted in the negative were:

Bettermann	Dauids	Haukoos
Dauner	Frerichs	Welker

The bill was repassed, as amended by Conference, 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 S. F. No. 598:

Kalis, Lieder, Pauly, Rice and Anderson, I.

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1042

A bill for an act relating to economic development; changing the organization of the department of trade and economic development; amending Minnesota Statutes 1990, section 116J.01, subdivision 3.

May 17, 1991

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. 1042, 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. 1042 be further amended as follows:

Page 1, after line 25, insert:

“Sec. 2. [RECOMMENDATIONS TO LEGISLATURE ON ECONOMIC DEVELOPMENT POLICY.]

The house economic development committee and the senate economic development and housing committee, in consultation with the department of trade and economic development, shall hold public hearings to receive citizen recommendations and shall report to the legislature by January 15, 1993, with recommendations on a statewide economic development policy for the state. The report shall:

(1) review and catalog the responsibilities and the relationships of the various state and local agencies involved in the delivery of services that promote economic development and redevelopment;

(2) recommend ways and means to better coordinate the delivery of economic development services;

(3) identify the ways in which the state provides support to economic development, including financing programs, technical assistance programs, promotion, training and education, and infrastructure development and maintenance;

(4) quantify the amount and types of expenditures on economic development;

(5) identify measures to evaluate the effectiveness of investments in economic development;

(6) consider recent changes in state tax law that affect economic development and redevelopment and evaluate the impact of these changes on local development;

(7) review and comment on proposals submitted to it by the governor and the legislature;

(8) review and comment on research reports, studies, and papers on the public sector role in economic development; and

(9) hold hearings and conduct informal surveys to solicit the positions of business, industry, labor, and service providers.

Sec. 3. [116J.661] [WORKPLACE SAFETY PROGRAM.]

The commissioner shall provide through the business assistance center a program that provides assistance to businesses to create a safe workplace and to reduce the number and severity of workplace injuries. The program must include:

(1) providing information to business through publications, seminars, and other means;

(2) providing specific advice to individual businesses; and

(3) conducting research and developing safety programs with emphasis on businesses that have a high rate of workplace injury."

Amend the title as follows:

Page 1, line 4, after the semicolon insert "providing for a report by the house economic development committee and the senate economic development and housing committee to the legislature on proposed economic development policy; creating a workplace safety program;"

Page 1, line 5, before the period insert "; proposing coding for new law in Minnesota Statutes, chapter 116J"

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

House Conferees: TED WINTER, IRV ANDERSON AND SYLVESTER UPHUS.

Senate Conferees: DENNIS R. FREDERICKSON, TRACY L. BECKMAN AND JAMES P. METZEN.

Winter moved that the report of the Conference Committee on H. F. No. 1042 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1042, A bill for an act relating to economic development; changing the organization of the department of trade and economic development; amending Minnesota Statutes 1990, section 116J.01, subdivision 3.

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	Garcia	Knickerbocker	Olson, E.	Skoglund
Anderson, I.	Girard	Koppendraye	Olson, K.	Smith
Anderson, R. H.	Goodno	Krinkie	Omann	Solberg
Battaglia	Greenfield	Krueger	Onnen	Sparby
Bauerly	Gruenes	Lasley	Orenstein	Stanius
Beard	Gutknecht	Leppik	Orfield	Steensma
Begich	Hanson	Lieder	Osthoff	Sviggum
Bertram	Hartle	Limmer	Ostrom	Swenson
Bettermann	Hasskamp	Long	Ozment	Thompson
Blatz	Haukoos	Lourey	Pauly	Tompkins
Bodahl	Hausman	Lynch	Pellow	Trimble
Boo	Heir	Macklin	Pelowski	Tunheim
Brown	Henry	Mariani	Peterson	Uphus
Carlson	Hufnagle	Marsh	Pugh	Valento
Carruthers	Hugoson	McEachern	Reding	Vellenga
Clark	Jacobs	McGuire	Rest	Wagenius
Cooper	Janezich	McPherson	Rice	Waltman
Dauner	Jaros	Milbert	Rodosovich	Weaver
Dauids	Jefferson	Morrison	Rukavina	Wejcmán
Dawkins	Jennings	Munger	Runbeck	Welker
Dempsey	Johnson, A.	Murphy	Sarna	Welle
Dille	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dorn	Johnson, V.	Nelson, S.	Scheid	Winter
Erhardt	Kahn	Newinski	Schreiber	Spk. Vanasek
Farrell	Kalis	O'Connor	Seaberg	
Frederick	Kelso	Ogren	Segal	
Frerichs	Kinkel	Olsen, S.	Simoneau	

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1050

A bill for an act relating to state government; requiring certain notice of proposed executive reorganization orders; permitting the commissioner of administration to lease land to a political subdivision under some circumstances; amending Minnesota Statutes 1990, sections 16B.24, subdivision 6; and 16B.37, subdivision 2.

May 18, 1991

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. 1050, 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. 1050 be further amended as follows:

Pages 1 and 2, delete section 1

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete lines 4 and 5

Page 1, line 6, delete "circumstances;"

Page 1, line 7, delete everything before "16B.37," and insert "section"

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

House Conferees: MYRON W. ORFIELD, PHIL CARRUTHERS AND DAVE BISHOP.

Senate Conferees: JOHN MARTY, GENE MERRIAM AND DENNIS R. FREDERICKSON.

Orfield moved that the report of the Conference Committee on H. F. No. 1050 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1050, A bill for an act relating to state government; requiring certain notice of proposed executive reorganization orders; permitting the commissioner of administration to lease land to a political subdivision under some circumstances; amending Minnesota Statutes 1990, sections 16B.24, subdivision 6; and 16B.37, subdivision 2.

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 74 yeas and 55 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Brown	Dille	Hasskamp	Jennings
Battaglia	Carlson	Dorn	Hausman	Johnson, A.
Beard	Carruthers	Farrell	Jacobs	Johnson, R.
Begich	Clark	Garcia	Janezich	Kahn
Bertram	Cooper	Greenfield	Jaros	Kalis
Bodahl	Dawkins	Hanson	Jefferson	Kelso

Kinkel	Milbert	Orfield	Rodosovich	Trimble
Krueger	Munger	Osthoff	Rukavina	Tunheim
Lasley	Murphy	Ostrom	Sarna	Wagenius
Lieder	Nelson, K.	Pelowski	Scheid	Wejzman
Long	O'Connor	Peterson	Skoglund	Welle
Lourey	Ogren	Pugh	Solberg	Wenzel
Mariani	Olson, E.	Reding	Sparby	Winter
McEachern	Olson, K.	Rest	Steensma	Spk. Vanasek
McGuire	Orenstein	Rice	Thompson	

Those who voted in the negative were:

Abrams	Girard	Knickerbocker	Olsen, S.	Simoneau
Anderson, R. H.	Goodno	Koppendraye	Omann	Smith
Bauerly	Gruenes	Krinkie	Onnen	Stanius
Bettermann	Gutknecht	Leppik	Ozment	Swiggum
Blatz	Hartle	Limmer	Pauly	Swenson
Boo	Haukoos	Lynch	Pellow	Tompkins
Davids	Heir	Macklin	Runbeck	Uphus
Dempsey	Henry	Marsh	Schafer	Valento
Erhardt	Hufnagle	McPherson	Schreiber	Waltman
Frederick	Hugoson	Morrison	Seaberg	Weaver
Frerichs	Johnson, V.	Newinski	Segal	Welker

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 20

A bill for an act relating to insurance; requiring insurers to furnish a summary of claims review findings; proposing coding for new law in Minnesota Statutes, chapter 72A.

May 18, 1991

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. 20, 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. 20 be further amended as follows:

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 1990, section 62E.10, subdivision 2, is amended to read:

Subd. 2. [BOARD OF DIRECTORS; ORGANIZATION.] The board

of directors of the association shall be made up of nine members as follows: five insurer directors selected by participating members, subject to approval by the commissioner; four public directors selected by the commissioner, at least two of whom must be plan enrollees. Public members may include licensed insurance agents. In determining voting rights at members' meetings, each member shall be entitled to vote in person or proxy. The vote shall be a weighted vote based upon the member's cost of self-insurance, accident and health insurance premium, subscriber contract charges, or health maintenance contract payment derived from or on behalf of Minnesota residents in the previous calendar year, as determined by the commissioner. In approving directors of the board, the commissioner shall consider, among other things, whether all types of members are fairly represented. Insurer directors may be reimbursed from the money of the association for expenses incurred by them as directors, but shall not otherwise be compensated by the association for their services. The costs of conducting meetings of the association and its board of directors shall be borne by members of the association.

Sec. 2. Minnesota Statutes 1990, section 62E.11, is amended by adding a subdivision to read:

Subd. 11. [RATE INCREASE OR BENEFIT CHANGE.] The association must hold a public meeting to hear public comment at least two weeks before filing a rate increase or benefit change with the commissioner. Notice of the public meeting to hear public comment must be mailed at least two weeks before the meeting to all plan enrollees."

Page 1, line 6, delete "Section 1." and insert "Sec. 3."

Amend the title as follows:

Page 1, line 2, after the semicolon insert "regulating the composition of the MCHA board and certain of its meetings;"

Page 1, line 3, after the semicolon insert "amending Minnesota Statutes 1990, sections 62E.10, subdivision 2; and 62E.11, by adding a subdivision;"

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

House Conferees: TED WINTER, WESLEY J. "WES" SKOGLUND AND RON ABRAMS.

Senate Conferees: JOHN MARTY, WILLIAM V. BELANGER, JR. AND JAMES P. METZEN.

Winter moved that the report of the Conference Committee on H. F. No. 20 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 20, A bill for an act relating to insurance; requiring insurers to furnish a summary of claims review findings; proposing coding for new law in Minnesota Statutes, chapter 72A.

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	Garcia	Knickerbocker	Olson, E.	Skoglund
Anderson, I.	Girard	Koppendrayner	Olson, K.	Smith
Anderson, R. H.	Goodno	Krinkie	Omann	Solberg
Battaglia	Greenfield	Krueger	Onnen	Sparby
Bauerly	Gruenes	Lasley	Orenstein	Stanius
Beard	Gutknecht	Leppik	Orfield	Steenma
Begich	Hanson	Lieder	Osthoff	Sviggum
Bertram	Hartle	Limmer	Ostrom	Swenson
Bettermann	Hasskamp	Long	Ozment	Thompson
Blatz	Haukoos	Lourey	Pauly	Tompkins
Bodahl	Hausman	Lynch	Pellow	Trimble
Boo	Heir	Macklin	Pelowski	Tunheim
Brown	Henry	Mariani	Peterson	Uphus
Carlson	Hufnagle	Marsh	Pugh	Valento
Carruthers	Hugoson	McEachern	Reding	Vellenga
Clark	Jacobs	McGuire	Rest	Wagenius
Cooper	Janezich	McPherson	Rice	Waltman
Dauner	Jaros	Milbert	Rodosovich	Weaver
Davids	Jefferson	Morrison	Rukavina	Wejzman
Dawkins	Jennings	Munger	Runbeck	Welker
Dempsey	Johnson, A.	Murphy	Sarna	Welle
Dille	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dorn	Johnson, V.	Nelson, S.	Scheid	Winter
Erhardt	Kahn	Newinski	Schreiber	Spk. Vanasek
Farrell	Kalis	O'Connor	Seaberg	
Frederick	Kelso	Ogren	Segal	
Frerichs	Kinkel	Olsen, S.	Simoneau	

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1371

A bill for an act relating to agriculture; extending the right of first refusal on foreclosed farm land to ten years; amending Minnesota Statutes 1990, section 500.24, subdivision 6.

May 17, 1991

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. 1371, 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: CHUCK BROWN, ANDY STEENSMA AND STEVE DILLE.

Senate Conferees: CHARLES A. BERG, JIM VICKERMAN AND JOHN BERNHAGEN.

Brown moved that the report of the Conference Committee on H. F. No. 1371 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1371, A bill for an act relating to agriculture; extending the right of first refusal on foreclosed farm land to ten years; amending Minnesota Statutes 1990, section 500.24, subdivision 6.

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 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Cooper	Gutknecht	Johnson, R.	Lynch
Anderson, I.	Dauner	Hanson	Johnson, V.	Macklin
Anderson, R. H.	Davids	Hartle	Kahn	Mariani
Battaglia	Dawkins	Hasskamp	Kalis	Marsh
Bauerly	Dempsey	Haukoos	Kelso	McEachern
Beard	Dille	Hausman	Kinkel	McGuire
Begich	Dorn	Heir	Knickerbocker	McPherson
Bertram	Erhardt	Henry	Koppendraye	Milbert
Bettermann	Farrell	Hufnagle	Krinkie	Morrison
Blatz	Frederick	Hugoson	Krueger	Munger
Bodahl	Frerichs	Jacobs	Lasley	Murphy
Boo	Garcia	Janezich	Leppik	Nelson, K.
Brown	Girard	Jaros	Lieder	Nelson, S.
Carlson	Goodno	Jefferson	Limmer	Newinski
Carruthers	Greenfield	Jennings	Long	O'Connor
Clark	Gruenes	Johnson, A.	Lourey	Ogren

Olsen, S.	Fellow	Schafer	Sviggum	Weaver
Olson, E.	Pelowski	Scheid	Swenson	Wejcman
Olson, K.	Peterson	Schreiber	Thompson	Welker
Omann	Pugh	Seaberg	Tompkins	Welle
Onnen	Reding	Simoneau	Trimble	Wenzel
Orenstein	Rest	Skoglund	Tunheim	Winter
Orfield	Rice	Smith	Uphus	Spk. Vanasek
Osthoff	Rodosovich	Solberg	Valento	
Ostrom	Rukavina	Sparby	Vellenga	
Ozment	Runbeck	Stanius	Wagenius	
Pauly	Sarna	Steensma	Waltman	

Those who voted in the negative were:

Segal

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

SPECIAL ORDERS

S. F. No. 371 was reported to the House.

Vellenga moved to amend S. F. No. 371, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 13.82, is amended by adding a subdivision to read:

Subd. 14a. [DATA ON REGISTERED CRIMINAL OFFENDERS.] Data described in section 3 shall be classified as described in that section.

Sec. 2. Minnesota Statutes 1990, section 13.82, is amended by adding a subdivision to read:

Subd. 14b. [DATA IN MISSING CHILDREN BULLETINS.] Data described in section 7 shall be classified as described in that section.

Sec. 3. [243.166] [REGISTRATION OF SEX OFFENDERS.]

Subdivision 1. [REGISTRATION REQUIRED.] A person shall comply with this section after being released from prison if:

(1) the person was sentenced to imprisonment following a conviction for kidnapping under section 609.25 or criminal sexual conduct under section 609.342, 609.343, or 609.344, and the offense was committed against a victim who was a minor;

(2) the sentencing court made a written finding at the sentencing

hearing that registration is necessary because there is a significant risk that the offender may, in the future, commit a crime listed in clause (1). The court's finding must contain the facts on which it is based including, but not limited to, the offender's offense history, the nature and severity of the current offense, and social or psychological information about the offender in the presentence investigation report;

(3) the person is not now required to register under section 243.165; and

(4) ten years have not yet elapsed since the person was released from imprisonment.

Subd. 2. [NOTICE.] When a person who is required to register under this section is released, the commissioner of corrections shall tell the person of the duty to register under section 243.165 and this section. The commissioner shall require the person to read and sign a form stating that the duty of the person to register under this section has been explained. The commissioner shall obtain the address where the person expects to reside upon release and shall report within three days the address to the bureau of criminal apprehension. The commissioner shall give one copy of the form to the person, and shall send one copy to the bureau of criminal apprehension and one copy to the appropriate law enforcement agency having local jurisdiction where the person expects to reside upon release.

Subd. 3. [REGISTRATION PROCEDURE.] (a) The person shall, within 14 days after the end of the term of supervised release, register with the probation officer assigned to the person at the end of that term.

(b) If the person changes residence address, the person shall give the new address to the last assigned probation officer in writing within ten days. The probation officer shall, within three days after receipt of this information, forward it to the bureau of criminal apprehension.

Subd. 4. [CONTENTS OF REGISTRATION.] The registration provided to the probation officer must consist of a statement in writing signed by the person, giving information required by the bureau of criminal apprehension, and a fingerprint card and photograph of the person if these have not already been obtained in connection with the offense that triggers registration. Within three days, the probation officer shall forward the statement, fingerprint card, and photograph to the bureau of criminal apprehension.

Subd. 5. [CRIMINAL PENALTY.] A person required to register under this section who violates any of its provisions is guilty of a misdemeanor.

Subd. 6. [REGISTRATION PERIOD.] (a) A person required to register under this section shall continue to comply with this section until ten years have elapsed since the person was released from imprisonment.

(b) If a person required to register under this section fails to register following a change in address, the commissioner of public safety may require the person to continue to register for an additional period of five years.

Subd. 7. [USE OF INFORMATION.] The information provided under this section is private data on individuals under section 13.01, subdivision 12. The information may be used only for law enforcement purposes.

Sec. 4. Minnesota Statutes 1990, section 299C.52, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in sections 299C.52 and 299C.53 to section 9, the following terms have the meanings given them:

(a) "Child" means any person under the age of 18 years or any person certified or known to be mentally incompetent;

(b) "CJIS" means Minnesota criminal justice information system;

(c) "Missing" means the status of a child after a law enforcement agency that has received a report of a missing child has conducted a preliminary investigation and determined that the child cannot be located; and

(d) "NCIC" means National Crime Information Center.

Sec. 5. Minnesota Statutes 1990, section 299C.52, subdivision 3, is amended to read:

Subd. 3. [COMPUTER EQUIPMENT AND PROGRAMS.] The commissioner shall provide the necessary computer hardware and computer programs to enter, modify, and cancel information on missing children in the NCIC computer through the CJIS. These programs must provide for search and retrieval of information using the following identifiers: physical description, name and date of birth, name and social security number, name and driver's license number, vehicle license number, and vehicle identification number. The commissioner shall also provide a system for regional, state-wide, multistate, and nationwide broadcasts of information on missing children. These broadcasts shall be made by local law enforcement agencies where possible or, in the case of statewide or

nationwide broadcasts, by the bureau of criminal apprehension upon request of the local law enforcement agency.

Sec. 6. Minnesota Statutes 1990, section 299C.52, subdivision 6, is amended to read:

Subd. 6. [RULES.] The commissioner may adopt rules in conformance with sections 299C.52 ~~and 299C.53~~ to section 9 to provide for the orderly collection and entry of missing child information and requests for retrieval of missing child information.

Sec. 7. [299C.54] [MISSING CHILDREN BULLETINS.]

Subdivision 1. [MISSING CHILDREN BULLETIN.] The commissioner shall distribute a missing children bulletin on a quarterly basis to local law enforcement agencies, county attorneys, and public and nonpublic schools. The commissioner shall also make this information accessible to other parties involved in efforts to locate missing children and to other persons as the commissioner considers appropriate.

Subd. 2. [PHOTOGRAPHS.] The commissioner shall provide appropriate local law enforcement agencies with a list of missing children, with an appropriate waiver form to assist the agency in obtaining a photograph of each missing child. Local agencies shall obtain the most recent photograph available for missing children and forward those photographs to the commissioner. The commissioner shall include these photographs, as they become available, in the quarterly bulletins.

Subd. 3. [INCLUDED WITH MAILINGS.] State and local elected officials and agencies may enclose in their mailings information regarding missing children obtained from law enforcement agencies or from any organization that is recognized as a nonprofit, tax-exempt organization under state or federal law and has an ongoing missing children program. Elected officials and commissioners of state agencies are urged to develop policies to enclose missing children information in mailings when it will not increase postage costs and is otherwise considered appropriate.

Subd. 4. [DATA CLASSIFICATION.] The information included in the missing children bulletin is public data as defined in section 13.01, subdivision 15, except that photographs of missing children obtained under this section are private data on individuals as defined in section 13.01, subdivision 12.

Sec. 8. [299C.55] [TRAINING.]

The commissioner shall adopt standards for training appropriate personnel concerning the investigation of missing children cases.

Sec. 9. [299C.56] [RELEASE OF MEDICAL DATA.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the following terms have the meanings given.

(b) "Health care facility" means the office of a dentist or physician, or another medical facility, that is in possession of identifying data.

(c) "Identifying data" means dental or skeletal X-rays, or both, and related information, previously created in the course of providing dental or medical care to a child who has now been reported as missing.

Subd. 2. [WRITTEN DECLARATION.] If a child is reported missing, a law enforcement agency may execute a written declaration, stating that an active investigation seeking the location of the missing child is being conducted, and that the identifying data are necessary for the exclusive purpose of furthering the investigation. Notwithstanding chapter 13 or section 144.651, subdivision 16, when a written declaration executed under this subdivision, signed by a peace officer, is presented to a health care facility, the facility shall provide access to the missing child's identifying data to the law enforcement agency.

Sec. 10. Minnesota Statutes 1990, section 609.3461, is amended to read:

609.3461 [DNA ANALYSIS OF SEX OFFENDERS REQUIRED.]

When a court sentences a person convicted of violating or attempting to violate section 609.342, 609.343, 609.344, or 609.345, or when a court sentences a person as a patterned sex offender pursuant to section 609.1352, or the juvenile court adjudicates a person a delinquent child for violating or attempting to violate section 609.342, 609.343, 609.344, or 609.345, it shall order the person to provide a biological specimen for the purpose of DNA analysis as defined in section 299C.155. The biological specimen or the results of the analysis shall be maintained by the bureau of criminal apprehension as provided in section 299C.155. If a person convicted of violating or attempting to violate section 609.342, 609.343, 609.344, or 609.345, or sentenced as a patterned sex offender pursuant to section 609.1352, and committed to the custody of the commissioner of corrections for a term of imprisonment has not provided a biological specimen for the purpose of DNA analysis, the commissioner of corrections or local corrections authority shall order the person to provide a biological specimen for the purpose of DNA analysis before completion of the person's term of imprisonment. The commissioner of corrections or local corrections authority shall forward the sample to the bureau of criminal apprehension.

Sec. 11. [EFFECTIVE DATE.]

Sections 1, 3, and 10 are effective August 1, 1991, and apply to offenders sentenced on or after that date. Sections 2 and 4 to 9 are effective August 1, 1991, and apply to crimes committed, and persons reported missing, on or after that date."

Delete the title and insert:

"A bill for an act relating to crimes; child abduction; requiring certain convicted sex and kidnapping offenders to report a current address to probation officer following release from prison; requiring the publication of missing children bulletins; requiring training concerning the investigation of missing children cases; providing law enforcement officers access to medical and dental records of missing children; extending DNA analysis requirements to persons sentenced as patterned sex offenders; amending Minnesota Statutes 1990, sections 13.82, by adding subdivisions; 299C.52, subdivisions 1, 3, and 6; and 609.3461; proposing coding for new law in Minnesota Statutes, chapters 243 and 299C."

The motion prevailed and the amendment was adopted.

Vellenga moved that S. F. No. 371, as amended, be temporarily laid over on Special Orders. The motion prevailed.

S. F. No. 300 was reported to the House.

Gutknecht moved to amend S. F. No. 300, as follows:

Page 11, delete lines 20 to 33

Page 11, line 34, delete "3" and insert "2"

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

S. F. No. 300, A bill for an act relating to health; clarifying requirements for licensing psychologists and psychological practitioners; describing duties of the board of psychology; establishing requirements for the independent practice of psychology; amending Minnesota Statutes 1990, sections 62A.152, subdivisions 2 and 3; 148.88; 148.89; 148.90; 148.91; 148.93; 148.95; 148.96; 148.97, subdivision 1; 148.98; and 253B.02, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 148; repealing Minnesota Statutes 1990, sections 148.92; and 148.97, subdivision 4.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 7 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kelso	Ogren	Segal
Anderson, I.	Garcia	Knickerbocker	Olsen, S.	Simoneau
Battaglia	Girard	Koppendrayer	Olson, E.	Skoglund
Bauerly	Goodno	Krinkie	Olson, K.	Smith
Beard	Greenfield	Krueger	Omann	Solberg
Begich	Gruenes	Lasley	Orenstein	Sparby
Bertram	Gutknecht	Leppik	Orfield	Stanius
Bettermann	Hanson	Lieder	Osthoff	Steensma
Blatz	Hartle	Limmer	Ostrom	Swenson
Bodahl	Hasskamp	Long	Ozment	Tompkins
Boo	Hausman	Lourey	Pauly	Trimble
Brown	Heir	Lynch	Pellow	Tunheim
Carlson	Henry	Macklin	Pelowski	Uphus
Carruthers	Hufnagle	Mariani	Peterson	Valento
Clark	Hugoson	Marsh	Pugh	Vellenga
Cooper	Jacobs	McEachern	Rest	Wagenius
Dauner	Janezich	McGuire	Rice	Waltman
Davids	Jaros	Milbert	Rodosovich	Weaver
Dawkins	Jefferson	Morrison	Rukavina	Wejcman
Dempsey	Jennings	Munger	Runbeck	Welle
Dille	Johnson, A.	Murphy	Sarna	Wenzel
Dorn	Johnson, R.	Nelson, K.	Schafer	Winter
Erhardt	Johnson, V.	Nelson, S.	Scheid	Spk. Vanasek
Farrell	Kahn	Newinski	Schreiber	
Frederick	Kalis	O'Connor	Seaberg	

Those who voted in the negative were:

Anderson, R. H.	Kinkel	Onnen	Welker
Haukoos	McPherson	Thompson	

The bill was passed and its title agreed to.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 244

A bill for an act relating to traffic regulations; regulating traffic safety concerning school buses and the safety of school children; providing penalties; amending Minnesota Statutes 1990, sections 169.01, subdivision 6; 169.45; 169.451; 171.07, by adding a subdivision; 171.17; and 171.18; proposing coding for new law in Minnesota Statutes, chapter 169; repealing Minnesota Statutes 1990, sections 169.44; and 169.64, subdivision 7.

May 17, 1991

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. 244, 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. 244 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [PURPOSE.]

It is the purpose of this act to enhance the safety of Minnesota's school children by reducing the number of violations of school bus safety laws through:

(1) increased education for motorists, school bus drivers, and law enforcement officials in school bus safety laws;

(2) cooperative efforts by school personnel, law enforcement, and prosecuting attorneys;

(3) increased civil and criminal penalties for violations of school bus safety laws;

(4) strengthened enforcement of school bus safety laws; and

(5) a consistent and vigorous response by the judiciary to punish violators and thereby deter future violations.

Sec. 2. Minnesota Statutes 1990, section 169.01, subdivision 6, is amended to read:

Subd. 6. [SCHOOL BUS.] “School bus” means a motor vehicle used to transport pupils to or from a school defined in section 120.101, or to or from school-related activities, by the school or a school district, or by someone under an agreement with the school or a school district. A school bus does not include a motor vehicle transporting children to or from school for which parents or guardians receive direct compensation from a school district, a motor coach operating under charter carrier authority, or a transit bus providing services as defined in section 174.22, subdivision 7. A school bus may be type I, type II, or type III as follows:

(a) A “type I school bus” means a school bus of more than 10,000 pounds gross vehicle weight rating, designed for carrying more than ten persons. [MN Rules, part 3520.3701, subp 1]

(b) A “type II school bus” is a bus with a gross vehicle weight rating of 10,000 pounds or less, designed for carrying more than ten persons. It must be outwardly equipped and identified as a school bus. [MN Rules, part 3520.3701, subp 2]

(c) Type III school buses are restricted to passenger cars, station wagons, vans, and buses having a maximum manufacturer's rated seating capacity of ten people, including the driver, and a gross vehicle weight rating of 10,000 pounds or less. In this subdivision, “gross vehicle weight rating” means the value specified by the manufacturer as the loaded weight of a single vehicle. A “type III school bus” must not be outwardly equipped and identified as a school bus. [169.44, subd 15]

Sec. 3. [169.441] [SCHOOL BUS IDENTIFICATION.]

Subdivision 1. [IDENTIFICATION AND SIGNAL REQUIREMENTS, GENERALLY.] For purposes of sections 169.441 to 169.448, school bus means a motor vehicle that is outwardly equipped and identified as a school bus. A motor vehicle that satisfies the identification requirements of this section and the signal equipment requirements of section 169.442 is considered outwardly equipped and identified as a school bus. [169.44, subd 1a]

Subd. 2. [COLOR REQUIREMENTS.] (a) A new school bus must be painted national school bus glossy yellow if it is to be used in Minnesota as a school bus, and can seat more than ten people, including the driver.

(b) A school bus that is substantially repainted must be painted national school bus glossy yellow. [169.44, subd 1a]

(c) The roof of a school bus may be painted white.

Subd. 3. [SIGN ON BUS; APPLICATION OF OTHER LAW.] Sections 169.442, subdivisions 2 and 3; 169.443, subdivision 2; and 169.444, subdivisions 1, 4, and 5, apply only if the school bus bears on its front and rear a plainly visible sign containing the words “school bus” in letters at least eight inches in height.

The sign must be removed or covered when the vehicle is being used as other than a school bus. [169.44, subd 3]

Subd. 4. [“MN” DESIGNATION IN BUS BODY SERIAL NUMBER.] School bus bodies manufactured after December 31, 1991, and used on streets and highways in Minnesota must bear the designa-

tion "MN" within the bus body identification number. The "MN" designation may be made only by the manufacturer and must not be located on either end of the bus body identification number. The manufacturer of the school bus body certifies by the "MN" designation that the bus body has been manufactured to meet the minimum standards required of school bus bodies by law. A school bus body manufactured before January 1, 1992, that does not bear a current inspection sticker on July 1, 1992, may not be used on streets and highways in Minnesota after July 1, 1992, unless its manufacturer recertifies that the school bus body meets minimum standards required of school bus bodies by law. [169.44, subd 17]

Subd. 5. [OPTIONAL MARKINGS; RULES.] A school district or technical college may elect to show on the front and rear of the school buses that it owns or contracts for, a plainly visible, summary message explaining section 169.444, subdivisions 1 and 2. If the school district or technical college elects to display the message, it must conform with the rules of the commissioner of education. The commissioner shall adopt rules governing the size, type, design, display, and content of the summary message that may be shown.

Sec. 4. [169.442] [SCHOOL BUS SIGNALS.]

Subdivision 1. [SIGNALS REQUIRED.] A type I or type II school bus must be equipped with a stop signal arm, prewarning flashing amber signals, and flashing red signals. [169.44, subd 1a]

Subd. 2. [FLASHING SIGNALS ON STOP ARM.] A school bus stop signal arm may be equipped with alternately flashing red warning signals that are visible both to the front and to the rear of the bus. School buses manufactured after July 1, 1989, must be so equipped. [169.44, subd 14; MN Rules, parts 3520.5200, subps 7 and 8, and 7425.2100, subp 1, item II]

Subd. 3. [APPROVAL OF SIGNALS.] Flashing prewarning amber signals and flashing red signals must be of a type approved by the commissioner of public safety. The signals must be a complete system meeting minimum standards required by this section and state board of education rules. [169.44, subd 10]

Subd. 4. [OPTIONAL WARNING SYSTEM.] In addition to equipment required under subdivision 1, and notwithstanding section 169.64, a school bus may be equipped with a driver-activated, exterior student-control, warning system. The driver shall activate this system when the use of the stop signal arm and flashing red signals is required under section 169.443, subdivision 1. [169.44, subd 1d]

Subd. 5. [WHITE STROBE LAMPS ON SCHOOL BUSES.] Notwithstanding sections 169.55, subdivision 1; 169.57, subdivision 3, paragraph (b), or other law to the contrary, a school bus that is

subject to and complies with the color and equipment requirements of sections 169.441, subdivision 1, and 169.442, subdivision 1, may be equipped with a 360-degree, flashing strobe lamp that emits a white light with a flash rate of 60 to 120 flashes a minute. The lamp may be used only as provided in this subdivision.

The strobe lamp must be of a double flash type certified to the commissioner of public safety by the manufacturer as being weatherproof and having a minimum effective light output of 200 candelas as measured by the Blondel-Key formula. The lamp must be permanently mounted on the longitudinal center line of the bus roof not less than two feet nor more than seven feet forward of the rear roof edge. It must operate from a separate switch containing an indicator lamp to show when the strobe lamp is in use.

The strobe lamp may be lighted only when atmospheric conditions or terrain restrict the visibility of school bus lamps and signals so as to require use of the bright strobe lamp to alert motorists to the presence of the school bus. A strobe lamp may not be lighted unless the school bus is actually being used as a school bus. [169.64, subd 7]

Sec. 5. [169.443] [SAFETY OF SCHOOL CHILDREN; BUS DRIVER'S DUTIES.]

Subdivision 1. [USING BUS SIGNALS.] A driver of a school bus shall activate the prewarning flashing amber signals of the bus before stopping to load or unload school children. The driver shall activate and continuously operate the amber signals for a distance of at least 100 feet before stopping in a speed zone of 35 miles per hour or less and at least 300 feet before stopping in a speed zone of more than 35 miles per hour. On stopping for this purpose, the driver shall extend the stop signal arm and activate the flashing red signals. The driver shall not retract the stop signal arm nor extinguish the flashing red signals until loading or unloading is completed, students are seated, and children who must cross the roadway are safely across. [169.44, subd 2, para (a)]

Subd. 2. [USE OF STOP SIGNAL ARM.] (a) The stop signal arm of a school bus must be used in conjunction with the flashing red signals only when the school bus is stopped on a street or highway to load or unload school children. [169.44, subd 1]

(b) A local authority, including the governing body of an Indian tribe, may by ordinance require that a school bus activate the stop signal arm and flashing red signals while stopped to unload school children at a location other than a location on a street or highway. The ordinance must designate each location where the requirement is imposed. The requirement is effective only if the local authority has erected signs at or near the location to provide adequate notice

that other vehicles are required to obey section 169.444, subdivision 1, when those signals are activated.

Subd. 3. [WHEN SIGNALS NOT USED.] School bus drivers shall not activate the prewarning flashing amber signals or flashing red signals:

(1) in special school bus loading areas where the bus is entirely off the traveled portion of the roadway and where no other motor vehicle traffic is moving or is likely to be moving within 20 feet of the bus;

(2) in residential or business districts of home rule or statutory cities when directed not to do so by the local school administrator;

(3) when a school bus is being used on a street or highway for purposes other than the actual transportation of school children to or from school or a school-approved activity;

(4) at railroad grade crossings; and

(5) when loading and unloading people while the bus is completely off the traveled portion of a separated, one-way roadway that has adequate shoulders. The driver shall drive the bus completely off the traveled portion of this roadway before loading or unloading people. [169.44, subd 2, para (b)]

Subd. 4. [STREET CROSSINGS.] Where school children must cross a roadway before getting on or after getting off the school bus, the driver of the school bus or a school bus patrol may supervise the crossing, using the standard school patrol flag or signal as approved and prescribed by the commissioner of public safety. Before moving the school bus, the driver of the bus shall visually determine that all children have crossed the roadway and that those who are to do so have boarded the school bus. [169.44, subd 2, para (c)]

Subd. 5. [MOVING BUS AFTER CHILDREN UNLOADED.] When children are getting off a school bus, the driver shall visually determine that they are a safe distance from the bus before moving the bus. [169.44, subd 2, para (c)]

Subd. 6. [OTHER BUSES.] The driver of a type III school bus shall load or unload school children only from the right-hand side of the vehicle, provided that on a one-way street the driver shall load or unload school children only from the curb side of the vehicle. When loading or unloading school children, the driver shall activate the vehicle's four-way hazard lights described in section 169.59, subdivision 4. [169.44, subd 2, para (d)]

Subd. 7. [VIOLATION.] A person who violates this section is guilty of a misdemeanor.

Sec. 6. [169.444] [SAFETY OF SCHOOL CHILDREN; DUTIES OF OTHER DRIVERS.]

Subdivision 1. [CHILDREN GETTING ON OR OFF SCHOOL BUS.] When a school bus is stopped on a street or highway, or other location where signs have been erected under section 169.443, subdivision 2, paragraph (b), and is displaying an extended stop signal arm and flashing red lights, the driver of a vehicle approaching the bus shall stop the vehicle at least 20 feet away from the bus. The vehicle driver shall not allow the vehicle to move until the school bus stop signal arm is retracted and the red lights are no longer flashing. [169.44, subd 1]

Subd. 2. [VIOLATIONS BY DRIVERS; PENALTIES.] (a) A person who fails to stop a vehicle or to keep it stopped, as required in subdivision 1, is guilty of a misdemeanor. [169.44, subd 1]

(b) A person is guilty of a gross misdemeanor if the person fails to stop a motor vehicle or to keep it stopped, as required in subdivision 1, and commits either or both of the following acts:

(1) passes or attempts to pass the school bus in a motor vehicle on the right-hand, passenger-door side of the bus; or

(2) passes or attempts to pass the school bus in a motor vehicle when a school child is outside of and on the street or highway used by the school bus or on the adjacent sidewalk.

Subd. 3. [PROSECUTOR.] The attorney in the jurisdiction in which the violation occurred who is responsible for prosecution of misdemeanor violations of this section shall also be responsible for prosecution of gross misdemeanor violations of this section.

When an attorney responsible for prosecuting gross misdemeanors under this section requests criminal history information relating to prior convictions under this section from a court, the court must furnish the information without charge.

Subd. 4. [EXCEPTION FOR SEPARATED ROADWAY.] A person driving a vehicle on a street or highway with separated roadways is not required to stop the vehicle when approaching or meeting a school bus that is on a different roadway.

"Separated roadway" means a road that is separated from a parallel road by a safety isle or safety zone. [169.44, subd 4]

Subd. 5. [CAUSE FOR ARREST.] A peace officer may arrest the

driver of a motor vehicle if the peace officer has probable cause to believe that the driver has operated the vehicle in violation of subdivision 1 within the past four hours. [169.44, subd 1c, para (1)]

Subd. 6. [VIOLATION; PENALTY FOR OWNERS AND LESSEES.] (a) If a motor vehicle is operated in violation of subdivision 1, the owner of the vehicle, or for a leased motor vehicle the lessee of the vehicle, is guilty of a petty misdemeanor.

(b) The owner or lessee may not be fined under paragraph (a) if (1) another person is convicted for that violation, or (2) the motor vehicle was stolen at the time of the violation.

(c) Paragraph (a) does not apply to a lessor of a motor vehicle if the lessor keeps a record of the name and address of the lessee.

(d) Paragraph (a) does not prohibit or limit the prosecution of a motor vehicle operator for violating subdivision 1.

(e) A violation under paragraph (a) does not constitute grounds for revocation or suspension of the owner's or lessee's driver's license. [169.44, subd 1c, para (2)]

Subd. 7. [EVIDENTIARY PRESUMPTION.] There is a rebuttable presumption that signals described in section 169.442 were in working order and operable when a violation of subdivision 1, 2, or 5 was allegedly committed, if the signals of the applicable school bus were inspected and visually found to be in working order and operable within 12 hours preceding the incident giving rise to the violation.

Subd. 8. [SCHEDULING CASES.] When necessary or desirable to ensure that a school bus driver who witnessed or otherwise can provide relevant information concerning a violation of this section is available to be present at a court proceeding held to determine an alleged violation of this section, the court administrator shall schedule the proceeding to be held between the hours of 10:00 a.m. and 2:00 p.m.

Sec. 7. [169.445] [COOPERATION WITH LAW ENFORCEMENT; INFORMATION; RULES; REPORTS.]

Subdivision 1. [COOPERATION OF SCHOOL AUTHORITIES.] The state board of education shall ensure that local authorities having jurisdiction over school buses shall cooperate with law enforcement and judicial authorities in reporting and prosecuting violators of sections 169.443 and 169.444.

Subd. 2. [INFORMATION; RULES.] The board shall compile information regarding violations, prosecutions, convictions or other

disposition, and penalties imposed under sections 169.443 and 169.444. At the request of the board, local school authorities shall provide this information. The board may adopt rules governing the content and providing procedures for the school authorities to provide this information.

Subd. 3. [LEGISLATIVE REPORT.] The board shall submit a report to the legislature by March 1, 1992, summarizing the information compiled under subdivision 2 for the previous calendar year, listing its findings, and making recommendations it considers appropriate.

Sec. 8. [169.446] [SAFETY OF SCHOOL CHILDREN; TRAINING AND EDUCATION RULES.]

Subdivision 1. [PEACE OFFICER TRAINING.] The board of peace officer standards and training shall include sections 169.441 to 169.448 and the enforcement of sections 169.443, 169.444, 169.447, and 169.448 in the instruction for the professional peace officer education program. The board shall notify the chief law enforcement officer of each law enforcement agency in the state of these sections.

Subd. 2. [DRIVER TRAINING PROGRAMS.] The commissioner of public safety shall adopt rules requiring thorough instruction concerning section 169.444 for persons enrolled in driver training programs offered at private and parochial schools and commercial driver training schools. The instruction must encompass at least the responsibilities of drivers, the content and requirements of section 169.444, and the penalties for violating that section.

Subd. 3. [DRIVER EDUCATION PROGRAMS.] The state board of education shall adopt rules requiring thorough instruction concerning section 169.444 for persons enrolled in driver education programs offered at public schools. The instruction must encompass at least the responsibilities of drivers, the content and requirements of section 169.444, and the penalties for violating that section.

Sec. 9. [169.447] [SCHOOL BUS SAFETY.]

Subdivision 1. [PASSENGER SEATING.] (a) The number of pupils or other authorized passengers transported in a school bus must not be more than the number of pupils or passengers that can be fully seated. Seating capacity must be adjusted according to each passenger's individual physical size, but not more than the manufacturers' rated seating capacity.

(b) No person shall stand in the school bus when the bus is in motion. [169.44, subd 6]

Subd. 2. [DRIVER SEAT BELTS.] New school buses must be equipped with driver seat belts and seat belt assemblies of the type described in section 169.685, subdivision 3. School bus drivers must use these seat belts. [169.44, subd 9]

Subd. 3. [RECAPPED TIRES.] Recapped tires must not be used on the front wheels of a school bus. [169.44, subd 11]

Subd. 4. [AISLE AND EXIT.] The driver of a school bus shall keep the aisle and emergency exit of a school bus unobstructed at all times when children are being transported. [169.44, subd 12]

Subd. 5. [TRAILER BEHIND SCHOOL BUS.] A school bus may pull a trailer, as defined by section 169.01, subdivision 10, only when traveling to or from cocurricular or extracurricular activities, as defined in section 123.38. [169.44, subd 13]

Subd. 6. [OVERHEAD BOOK RACKS.] Types I and II school buses may be equipped with padded, permanent overhead book racks that do not hang over the center aisle of the bus. [169.44, subd 16]

Sec. 10. [169.448] [OTHER BUSES.]

Subdivision 1. [RESTRICTIONS ON APPEARANCE; PENALTY.] A bus that is not used as a school bus may not be operated on a street or highway unless it is painted a color significantly different than national school bus glossy yellow or Minnesota school bus golden orange.

A bus that is not used as a school bus may not be operated if it is equipped with school bus-related equipment and printing.

A violation of this subdivision is a misdemeanor. [169.44, subd 8]

This subdivision does not apply to a school bus owned by or under contract to a school district operated as a charter or leased bus.

Subd. 2. [SCHOOL MOTOR COACHES.] (a) Neither a school district nor a technical college may acquire a motor coach for transportation purposes.

(b) A motor coach acquired by a school district or technical college before March 26, 1986, may be used by it only to transport students participating in school activities, their instructors, and supporting personnel to and from school activities. A motor coach may not be outwardly equipped and identified as a school bus. A motor coach operated under this subdivision is not a school bus for purposes of section 124.225. The state board of education shall implement rules

governing the equipment, identification, operation, inspection, and certification of motor coaches operated under this subdivision.

(c) After January 1, 1998, neither a school district nor a technical college may own or operate a motor coach for any purpose. [169.44, subd 18]

Subd. 3. [HEAD START VEHICLES.] Notwithstanding subdivision 1, a vehicle used to transport students under Public Law Number 99-425, the Head Start Act, may be equipped as a school bus.

Sec. 11. Minnesota Statutes 1990, section 169.45, is amended to read:

169.45 [SCHOOL BUSES BUS RULES, ENFORCEMENT.]

Subdivision 1. [BOARD OF EDUCATION RULES, ENFORCEMENT.] Except as provided in subdivision 2 and section 169.451, the state board of education has sole and exclusive authority to adopt and enforce rules not inconsistent with this chapter to govern the design, color, and operation of school buses used for the transportation of school children, when owned and operated by a school or privately owned and operated under a contract with a school, and these rules must be made a part of that contract by reference. Each school, its officers and employees, and each person employed under the contract is subject to these rules.

Subd. 2. [PENALTY; ENFORCEMENT.] The operation of a school bus on the public streets or highways in violation of rules concerning the operation of school buses adopted by the board under subdivision 1 is a misdemeanor. The state patrol shall enforce rules adopted under subdivision 1 when a school bus is operated on a public street or highway.

Sec. 12. Minnesota Statutes 1990, section 169.451, is amended to read:

169.451 [SCHOOL BUS INSPECTION; RULES; PENALTY.]

Subdivision 1. [ANNUAL REQUIREMENT.] The Minnesota state patrol shall inspect every school bus annually to ascertain whether its construction, design, equipment, and color comply with all provisions of law.

Subd. 2. [INSPECTION CERTIFICATE.] No person shall drive, or no owner shall knowingly permit or cause to be driven, any school bus unless there is displayed thereon a certificate issued by the commissioner of public safety stating that on a certain date, which shall be within 13 months of the date of operation, a member of the

Minnesota state patrol inspected the bus and found that on the date of inspection the bus complied with the applicable provisions of state law relating to construction, design, equipment, and color. ~~The commissioner of public safety shall provide by rule for the issuance and display of distinctive inspection certificates.~~

Subd. 3. [RULES OF COMMISSIONER.] (a) The commissioner of public safety shall provide by rule for the issuance and display of distinctive inspection certificates.

(b) The commissioner of public safety shall provide by rule a point system for evaluating the effect on safety operation of any variance from law detected during school bus inspections conducted pursuant to subdivision 1.

Subd. 4. [VIOLATIONS; PENALTY.] The state patrol shall enforce subdivision 2. A violation of subdivision 2 is a misdemeanor.

Sec. 13. Minnesota Statutes 1990, section 171.07, is amended by adding a subdivision to read:

Subd. 8. [CERTIFICATION; SCHOOL BUS SAFETY LAWS.] Before a driver's license may be issued or renewed, an applicant for a driver's license or renewal shall certify by signature that the applicant is aware of the duties and responsibilities required of drivers under section 169.444 to guard against jeopardizing the safety of school children around school buses and the penalties for violating that section. A failure to make this certification does not bar a prosecution for violation of section 169.444.

Sec. 14. Minnesota Statutes 1990, section 171.17, is amended to read:

171.17 [REVOCATION.]

Subdivision 1. [OFFENSES.] The department shall forthwith immediately revoke the license of any a driver upon receiving a record of such the driver's conviction of any of the following offenses:

(1) manslaughter or criminal vehicular operation resulting from the operation of a motor vehicle;

(2) any a violation of section 169.121 or 609.487;

(3) any a felony in the commission of which a motor vehicle was used;

(4) failure to stop and disclose identity and render aid, as required under the laws of this state, in the event of a motor vehicle accident, resulting in the death or personal injury of another;

(5) perjury or the making of a false affidavit or statement to the department under any law relating to the ownership or operation of a motor vehicle;

(6) except as this section otherwise provides, conviction, plea of guilty, or forfeiture of bail not vacated, upon three charges of violating, within a period of 12 months, any of the provisions of chapter 169, or of the rules or municipal ordinances enacted in conformance ~~therewith~~ with chapter 169, for which the accused may be punished upon conviction by imprisonment;

(7) conviction of two or more violations, within five years, of the misdemeanor offense described in section 169.444, subdivision 2, paragraph (a);

(8) conviction of the misdemeanor offense described in section 169.443, subdivision 7, or the gross misdemeanor offense described in section 169.444, subdivision 2, paragraph (b);

(9) conviction of an offense in another state ~~which~~ that, if committed in this state, would be grounds for ~~the revocation of~~ revoking the driver's license.

Subd. 2. [OFFENSES BY JUVENILES.] When ~~any~~ judge of a juvenile court, ~~judge or any of its~~ duly authorized agents, ~~agent~~ determines under a proceeding held under chapter 260 that ~~any~~ a person under the age of 18 years has committed ~~any~~ an offense defined in this section, ~~such~~ the judge, or ~~duly~~ authorized agent, shall immediately report this determination to the department, and the commissioner shall immediately revoke the person's driver's license of that person.

Subd. 3. [NOTICE.] Upon ~~revoking the license of any person, as hereinbefore in a driver's license under this chapter authorized,~~ the department shall immediately notify the licensee, in writing, by depositing in the United States post office a notice addressed to the licensee at the licensee's last known address, with postage prepaid ~~thereon.~~

Sec. 15. Minnesota Statutes 1990, section 171.18, is amended to read:

171.18 [SUSPENSION.]

Subdivision 1. [OFFENSES.] The commissioner ~~shall have authority to and~~ may suspend the license of ~~any~~ a driver without preliminary hearing upon a showing by department records or other sufficient evidence that the licensee:

(1) has committed an offense for which mandatory revocation of license is required upon conviction; ~~or~~

(2) has been convicted by a court of competent jurisdiction for ~~violation of~~ violating a provision of the highway traffic regulation act chapter 169 or an ordinance regulating traffic and ~~where it appears from~~ department records show that the violation for which the licensee was convicted contributed in causing an accident resulting in the death or personal injury of another, or serious property damage; ~~or~~

(3) is an habitually reckless or negligent driver of a motor vehicle; ~~or~~

(4) is an habitual violator of the traffic laws; ~~or~~

(5) is incompetent to drive a motor vehicle as determined and adjudged in a judicial proceeding; ~~or~~

(6) has permitted an unlawful or fraudulent use of ~~such~~ the license; ~~or~~

(7) has committed an offense in another state ~~which~~ that, if committed in this state, would be grounds for suspension; ~~or~~

(8) has committed a violation of section 169.444, subdivision 2, paragraph (a);

(9) has committed a violation of section 171.22; ~~or~~

~~(9)~~ (10) has failed to appear in court as provided in section 169.92, subdivision 4; or

~~(10)~~ (11) has failed to report a medical condition that, if reported, would have resulted in cancellation of driving privileges.

~~Provided, However, that any an~~ action taken by the commissioner under ~~clauses~~ clause (2) and or (5) shall must conform to the recommendation of the court when made in connection with the prosecution of the licensee.

Subd. 2. [NOTICE.] Upon suspending ~~the a~~ driver's license of any person, as hereinbefore ~~in~~ under this section ~~authorized~~, the department shall immediately notify the licensee, in writing, by depositing in the United States post office a notice addressed to the licensee at the licensee's last known address, with postage prepaid ~~thereon~~, and.

Subd. 3. [HEARING.] (a) ~~The licensee's written~~ licensee may request, in writing, a hearing. The department shall afford the requesting licensee an opportunity for a hearing within ~~not to~~

~~exceed 20 days after receipt of such the request in the county wherein where the licensee resides, unless the department and the licensee agree that such the hearing may be held in some other county.~~

~~(b) Upon such For the hearing, the commissioner or duly authorized agent may administer oaths and issue subpoenas for the attendance of witnesses and the production of relevant books and papers, and may require a reexamination of the licensee.~~

~~(c) Upon such Following the hearing, the department shall either rescind its order of suspension or, for good cause appearing therefor shown, may extend the suspension of such the license or revoke such the license.~~

~~(d) The department shall not suspend a license for a period of more than one year.~~

Sec. 16. [STUDY.]

The commissioner of public safety, in consultation with the commissioners of jobs and training and education and other affected parties, shall study the application of school bus requirements to head start vehicles and drivers and shall report on the results of the study to the chairs of the transportation committees of the house and senate by February 1, 1992.

Sec. 17. [REVISOR'S INSTRUCTION.]

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>124.225, subd. 1</u>	<u>169.44, subd. 15</u>	<u>169.01, subd. 6, para. (c)</u>
<u>169.01, subd. 75</u>	<u>169.44, subd. 15</u>	<u>169.01, subd. 6, para. (c)</u>
<u>169.32</u>	<u>169.44</u>	<u>169.441 and 169.442, subd. 1</u>
<u>171.01, subd. 22</u>	<u>169.44, subd. 15</u>	<u>169.01, subd. 6, para. (c)</u>

Sec. 18. [REPEALER.]

Minnesota Statutes 1990, sections 169.44; and 169.64, subdivision 7, are repealed.

Sec. 19. [EFFECTIVE DATE.]

Sections 5, 6, and 10, subdivision 1, are effective August 1, 1991, and apply to violations occurring on or after that date.

Delete the title and insert:

“A bill for an act relating to traffic regulations; regulating traffic safety concerning school buses and the safety of school children; providing penalties; requiring a study of the application of school bus requirements to head start transportation; amending Minnesota Statutes 1990, sections 169.01, subdivision 6; 169.45; 169.451; 171.07, by adding a subdivision; 171.17; and 171.18; proposing coding for new law in Minnesota Statutes, chapter 169; repealing Minnesota Statutes 1990, sections 169.44; and 169.64, subdivision 7.”

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

House Conferees: MARY MURPHY, BERNARD L. “BERNIE” LIEDER AND BOB WALTMAN.

Senate Conferees: WILLIAM P. LUTHER, CAROL FLYNN AND GEN OLSON.

Murphy moved that the report of the Conference Committee on H. F. No. 244 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 244, A bill for an act relating to traffic regulations; regulating traffic safety concerning school buses and the safety of school children; providing penalties; amending Minnesota Statutes 1990, sections 169.01, subdivision 6; 169.45; 169.451; 171.07, by adding a subdivision; 171.17; and 171.18; proposing coding for new law in Minnesota Statutes, chapter 169; repealing Minnesota Statutes 1990, sections 169.44; and 169.64, subdivision 7.

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	Bauerly	Blatz	Carruthers	Dawkins
Anderson, I.	Beard	Bodahl	Clark	Dempsey
Anderson, R.	Begich	Boo	Cooper	Dille
Anderson, R. H.	Bertram	Brown	Dauner	Dorn
Battaglia	Bettermann	Carlson	Dauids	Erhardt

Farrell	Jennings	McEachern	Pellow	Steensma
Frederick	Johnson, A.	McGuire	Pelowski	Sviggum
Frerichs	Johnson, R.	McPherson	Peterson	Swenson
Garcia	Johnson, V.	Milbert	Pugh	Thompson
Girard	Kahn	Morrison	Reding	Tompkins
Goodno	Kalis	Munger	Rest	Trimble
Greenfield	Kelso	Murphy	Rice	Tunheim
Gruenes	Kinkel	Nelson, K.	Rodosovich	Uphus
Gutknecht	Knickerbocker	Nelson, S.	Rukavina	Valento
Hanson	Koppendrayner	Newinski	Runbeck	Vellenga
Hartle	Krinkie	O'Connor	Sarna	Wagenius
Hasskamp	Krueger	Ogren	Schafer	Waltman
Haukoos	Lasley	Olsen, S.	Scheid	Weaver
Hausman	Leppik	Olson, E.	Schreiber	Wejcman
Heir	Lieder	Olson, K.	Seaberg	Welker
Henry	Limmer	Onnen	Segal	Welle
Hufnagle	Long	Orenstein	Simoneau	Wenzel
Hugoson	Lourey	Orfield	Skoglund	Winter
Jacobs	Lynch	Osthoff	Smith	Spk. Vanasek
Janezich	Macklin	Ostrom	Solberg	
Jaros	Mariani	Ozment	Sparby	
Jefferson	Marsh	Pauly	Stanisus	

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

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following 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. 783, A bill for an act relating to health; modifying requirements for drilling, sealing, and construction of wells, borings, and elevator shafts; amending Minnesota Statutes 1990, sections 103I.005, subdivisions 2, 22, and by adding a subdivision; 103I.101, subdivisions 2, 4, 5, and 6; 103I.105; 103I.111, subdivisions 2b, 3, and by adding a subdivision; 103I.205, subdivisions 1, 3, 4, 7, 8, and 9; 103I.208, subdivision 2; 103I.231; 103I.235; 103I.301, subdivision 1, and by adding a subdivision; 103I.311, subdivision 3; 103I.331, subdivision 2; 103I.525, subdivisions 1, 4, 8, and 9; 103I.531, subdivisions 5, 8, and 9; 103I.535, subdivisions 8 and 9; 103I.541, subdivisions 4 and 5; 103I.545, subdivision 2; 103I.621, subdivision 3; 103I.701, subdivisions 1 and 4; 103I.705, subdivisions 2, 3, 4, and 5; and 103I.711, subdivision 1; repealing Minnesota Statutes 1990, section 103I.005, subdivision 18.

The Senate has appointed as such committee:

Messrs. Morse and Price and Ms. Johnson, J. B.

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. 833, A bill for an act relating to economic development; regulating the use of tax-exempt revenue bonds; amending Minnesota Statutes 1990, sections 474A.02, subdivisions 1, 2b, 7, 8, 19, and by adding subdivisions; 474A.03; 474A.04, subdivision 1a; 474A.047, subdivisions 1 and 3; 474A.061, subdivisions 1, 2a, 2b, 2c, 3, and 4; 474A.091, subdivisions 1, 2, 3 and 5; 474A.131, by adding a subdivision; 474A.15; 474A.16; and 474A.17; proposing coding for new law in Minnesota Statutes, chapters 462A and 462C; repealing Minnesota Statutes 1990, sections 474A.048; and 474A.081, subdivisions 1, 2, and 4.

The Senate has appointed as such committee:

Messrs. Pogemiller, Metzen and Bernhagen.

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. 930, A bill for an act relating to economic development; changing the name of the Greater Minnesota Corporation; adding duties; providing for a new structure for the board of directors; amending Minnesota Statutes 1990, sections 116O.03, subdivision 2; 116O.04, subdivision 2; 116O.05, subdivision 2; and 116O.09, subdivision 3, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 116O; repealing Minnesota Statutes 1990, sections 116J.970; 116J.971; and 116O.03, subdivision 2a.

The Senate has appointed as such committee:

Messrs. Bernhagen; Moe, R. D., 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. 977, A bill for an act relating to the environment; prescribing who must prevent, prepare for, and respond to worst case discharges of oil and hazardous substances; describing response plans; authorizing the commissioners of the pollution control agency and departments of agriculture and public safety to order compliance; providing for good samaritan assistance; authorizing cooperation between public and private responders; requiring the establishment of a single answering point system; authorizing citizens advisory groups; providing penalties; amending Minnesota Statutes 1990, section 116.072, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 115E.

The Senate has appointed as such committee:

Messrs. Morse, Price and Mehrkens.

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:

S. F. No. 880.

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. 880

A bill for an act relating to checks; increasing bank verification requirements for opening checking accounts; prohibiting service

charges for dishonored checks on persons other than the issuer; regulating check numbering procedures; requiring the commissioner of commerce to adopt rules regarding verification procedure requirements; modifying procedures and liability for civil restitution for holders of worthless checks; authorizing service charges for use of law enforcement agencies; clarifying criminal penalties; increasing information that banks must provide to holders of worthless checks; imposing penalties; amending Minnesota Statutes 1990, sections 48.512, subdivisions 3, 4, 5, 7, and by adding subdivisions; 332.50, subdivisions 1 and 2; and 609.535, subdivisions 2a and 7.

May 16, 1991

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. 880, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 880 be further amended as follows:

Page 2, line 12, reinstate the stricken language and delete the new language

Page 3, line 34, after "charge" insert "in excess of \$4"

Page 4, line 8, after the period, insert "This subdivision no longer applies after the account has been open and in good standing for one year."

Page 4, line 11, delete "RULES" and insert "POWERS"

Page 4, after line 19, insert:

"Sec. 7. [48.513] [FINANCIAL INTERMEDIARY FEES.]

A financial intermediary may charge a fee for the assembly, production, and copying of records requested under chapter 13A, not to exceed the schedule established from time to time by the Federal Reserve System under Regulation S, Code of Federal Regulations, title 12, part 219, except that a fee may not be imposed if the records are requested by a law enforcement agency or prosecuting authority. This section does not apply to requests made under section 609.535. For purposes of this section, "financial intermediary" has the meaning given in section 48.512, subdivision 1."

Page 4, lines 27 and 28, delete "and includes" and insert "but does not include"

Page 4, line 29, delete "no valid" and insert "a good faith"

Page 5, line 6, before "amount" insert "aggregate" and strike "the check" and insert "dishonored checks issued by the issuer to all payees within a six-month period"

Page 5, line 8, before "Before" insert "If the amount of the dishonored check plus any service charges that have been incurred under paragraph (d) or (e) have not been paid within 30 days after having mailed a notice of dishonor in compliance with subdivision 3 but"

Page 5, line 13, before "Before" insert "After notice has been sent but"

Page 5, line 17, delete everything after "if" and insert "provided for under paragraph (a), clause (3)."

Page 5, line 22, delete "\$15" and insert "\$20"

Page 5, after line 35, insert:

"Sec. 10. Minnesota Statutes 1990, section 349.2127, subdivision 7, is amended to read:

Subd. 7. [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. This subdivision does not apply to gaming activities conducted pursuant to the Indian Gaming Regulatory Act, 25 U.S.C. 2701 et seq."

Page 6, after line 20, insert:

"Sec. 12. Minnesota Statutes 1990, section 609.535, subdivision 6, is amended to read:

Subd. 6. [RELEASE OF ACCOUNT INFORMATION TO LAW ENFORCEMENT AUTHORITIES.] A drawee shall release the information specified below to any state, county, or local law enforcement or prosecuting authority which certifies in writing that it is investigating or prosecuting a complaint against the drawer under this section or section 609.52, subdivision 2, clause (3)(a), and that 15 days have elapsed since the mailing of the notice of dishonor required by subdivisions 3 and 8. This subdivision applies to the following information relating to the drawer's account:

(1) Documents relating to the opening of the account by the drawer;

(2) Notices regarding nonsufficient funds, overdrafts, and the dishonor of any check drawn on the account within a period of six months of the date of request;

(3) Periodic statements mailed to the drawer by the drawee for the periods immediately prior to, during, and subsequent to the issuance of any check which is the subject of the investigation or prosecution; or

(4) The last known home and business addresses and telephone numbers of the drawer.

The drawee shall release all of the information described in clauses (1) to (4) that it possesses within ten days after receipt of a request conforming to all of the provisions of this subdivision. The drawee may not impose a ~~reasonable~~ fee for ~~the cost for~~ furnishing this information to law enforcement or prosecuting authorities; ~~not to exceed 15 cents per page.~~

A drawee is not liable in a criminal or civil proceeding for releasing information in accordance with this subdivision."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 4, delete "prohibiting" and insert "limiting"

Page 1, line 6, delete "requiring" and insert "giving"

Page 1, line 7, delete "to adopt rules" and insert "enforcement powers"

Page 1, line 11, after the semicolon, insert "regulating fees; authorizing checks for gambling under the Indian Gaming Regulatory Act;"

Page 1, line 16, before the second "and" insert "349.2127, subdivision 7;"

Page 1, line 17, after "2a" insert ", 6," and before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 48"

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

Senate Conferees: ALLAN H. SPEAR, CARL W. KROENING AND PATRICK D. MCGOWAN.

House Conferees: WALLY SPARBY, KRIS HASSKAMP AND DONALD L. FRERICHS.

Sparby moved that the report of the Conference Committee on S. F. No. 880 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

The Speaker called Rodosovich to the Chair.

S. F. No. 880, A bill for an act relating to checks; increasing bank verification requirements for opening checking accounts; prohibiting service charges for dishonored checks on persons other than the issuer; regulating check numbering procedures; requiring the commissioner of commerce to adopt rules regarding verification procedure requirements; modifying procedures and liability for civil restitution for holders of worthless checks; authorizing service charges for use of law enforcement agencies; clarifying criminal penalties; increasing information that banks must provide to holders of worthless checks; imposing penalties; amending Minnesota Statutes 1990, sections 48.512, subdivisions 3, 4, 5, 7, and by adding subdivisions; 332.50, subdivisions 1 and 2; and 609.535, subdivisions 2a and 7.

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 122 yeas and 9 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Dawkins	Jacobs	Lourey	Omann
Anderson, R.	Dille	Janezich	Lynch	Orenstein
Anderson, R. H.	Dorn	Jaros	Macklin	Orfield
Battaglia	Erhardt	Jefferson	Mariani	Osthoff
Bauerly	Farrell	Jennings	Marsh	Ostrom
Beard	Frederick	Johnson, A.	McEachern	Ozment
Begich	Frerichs	Johnson, R.	McGuire	Pauly
Bertram	Garcia	Johnson, V.	McPherson	Pelowski
Bettermann	Girard	Kahn	Milbert	Peterson
Blatz	Goodno	Kalis	Morrison	Pugh
Bodahl	Greenfield	Kelso	Munger	Reding
Boo	Gutknecht	Kinkel	Murphy	Rest
Brown	Hanson	Koppendraye	Nelson, K.	Rice
Carlson	Hartle	Krinkie	Nelson, S.	Rodosovich
Carruthers	Hasskamp	Krueger	Newinski	Rukavina
Clark	Hausman	Lasley	O'Connor	Runbeck
Cooper	Heir	Leppik	Ogren	Sarna
Dauner	Henry	Lieder	Olson, E.	Schafer
Davids	Hugoson	Long	Olson, K.	Scheid

Schreiber	Sparby	Tompkins	Wagenius	Wenzel
Seaberg	Stanius	Trimble	Waltman	Winter
Segal	Steensma	Tunheim	Weaver	Spk. Vanasek
Simoneau	Sviggum	Uphus	Wejman	
Skoglund	Swenson	Valento	Welker	
Solberg	Thompson	Vellenga	Welle	

Those who voted in the negative were:

Abrams	Hufnagle	Limmer	Onnen	Smith
Haukoos	Knickerbocker	Olsen, S.	Pellow	

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

Mr. Speaker:

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

S. F. No. 793.

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. 793

A bill for an act relating to the environment; establishing maximum content levels of mercury in batteries; prohibiting certain batteries; amending Minnesota Statutes 1990, sections 115A.9155, subdivision 2; 325E.125, subdivision 2, and by adding a subdivision; and 325E.1251.

May 16, 1991

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. 793, 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. 793 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 115A.9155, subdivision 2, is amended to read:

Subd. 2. [MANUFACTURER RESPONSIBILITY.] (a) A manufacturer of batteries subject to subdivision 1 shall:

(1) ensure that a system for the proper collection, transportation, and processing of waste batteries exists for purchasers in Minnesota; and

(2) clearly inform each final purchaser of the prohibition on disposal of waste batteries and of the system or systems for proper collection, transportation, and processing of waste batteries available to the purchaser.

(b) To ensure that a system for the proper collection, transportation, and processing of waste batteries exists, a manufacturer shall:

(1) identify collectors, transporters, and processors for the waste batteries and contract or otherwise expressly agree with a person or persons for the proper collection, transportation, and processing of the waste batteries; or

(2) accept waste batteries returned to its manufacturing facility.

(c) At the time of sale of a battery subject to subdivision 1, a manufacturer shall provide in a clear and conspicuous manner a telephone number that the final consumer of the battery can call to obtain information on specific procedures to follow in returning the battery for recycling or proper disposal.

The manufacturer may include the telephone number and notice of return procedures on an invoice or other transaction document held by the purchaser. The manufacturer shall provide the telephone number to the commissioner of the agency.

(d) A manufacturer shall ensure that the cost of proper collection, transportation, and processing of the waste batteries is included in the sales transaction or agreement between the manufacturer and any purchaser.

~~(d)~~ (e) A manufacturer that has complied with this subdivision is not liable under subdivision 1 for improper disposal by a person other than the manufacturer of waste batteries.

Sec. 2. [115A.9157] [RECHARGEABLE BATTERIES AND PRODUCTS.]

Subdivision 1. [DEFINITION.] For the purpose of this section "rechargeable battery" means a sealed nickel-cadmium battery, a sealed lead acid battery, or any other rechargeable battery, except a rechargeable battery governed by section 115A.9155 or exempted by the commissioner under subdivision 9.

Subd. 2. [PROHIBITION.] Effective August 1, 1991, a person may not place in mixed municipal solid waste a rechargeable battery, a rechargeable battery pack, a product with a nonremovable rechargeable battery, or a product powered by rechargeable batteries or rechargeable battery pack, from which all batteries or battery packs have not been removed.

Subd. 3. [COLLECTION AND MANAGEMENT COSTS.] A manufacturer of rechargeable batteries or products powered by rechargeable batteries is responsible for the costs of collecting and managing its waste rechargeable batteries and waste products to ensure that the batteries are not part of the solid waste stream.

Subd. 4. [PILOT PROJECTS.] By April 15, 1992, manufacturers whose rechargeable batteries or products powered by nonremovable rechargeable batteries are sold in this state shall implement pilot projects for the collection and proper management of all rechargeable batteries and the participating manufacturers' products powered by nonremovable rechargeable batteries. Manufacturers may act as a group or through a representative organization. The pilot projects must run for a minimum of 18 months and be designed to collect sufficient statewide data for the design and implementation of permanent collection and management programs that may be reasonably expected to collect at least 90 percent of waste rechargeable batteries and the participating manufacturers' products powered by rechargeable batteries that are generated in the state.

By December 1, 1991, the manufacturers or their representative organization shall submit plans for the projects to the legislative commission. At least every six months during the pilot projects the manufacturers shall submit progress reports to the commission. The commission shall review the plans and progress reports.

By November 1, 1993, the manufacturers or their representative organization shall report to the legislative commission the final results of the projects and plans for implementation of permanent programs. The commission shall review the final results and plans.

Subd. 5. [COLLECTION AND MANAGEMENT PROGRAMS.] By April 15, 1994, the manufacturers or their representative organization shall implement permanent programs, based on the results of the pilot projects required in subdivision 3, that may be reasonably expected to collect 90 percent of the waste rechargeable batteries and the participating manufacturers' products powered by rechargeable batteries that are generated in the state. The batteries and

products collected must be recycled or otherwise managed or disposed of properly.

Subd. 6. [LIST OF PARTICIPANTS.] A manufacturer or its representative organization shall inform the legislative commission on waste management when they begin participating in the projects and programs and immediately if they withdraw participation. The list of participants shall be available to retailers, distributors, governmental agencies, and other interested persons who provide a self-addressed stamped envelope to the commission.

Subd. 7. [CONTRACTS.] A manufacturer or a representative organization of manufacturers may contract with the state or a political subdivision to provide collection services under this section. The manufacturer or organization shall fully reimburse the state or political subdivision for the value of any contractual services rendered under this subdivision.

Subd. 8. [ANTICOMPETITIVE CONDUCT.] A manufacturer or organization of manufacturers and its officers, members, employees, and agents who participate in projects or programs to collect and properly manage waste rechargeable batteries or products powered by rechargeable batteries are immune from liability under state law relating to antitrust, restraint of trade, unfair trade practices, and other regulation of trade or commerce for activities related to the collection and management of batteries and products required under this section.

Subd. 9. [EXEMPTIONS.] To ensure that new types of batteries do not add additional hazardous or toxic materials to the mixed municipal solid waste stream, the commissioner of the agency may exempt a new type of rechargeable battery from the requirements of this section if it poses no unreasonable hazard when placed in and processed or disposed of as part of a mixed municipal solid waste.

Sec. 3. Minnesota Statutes 1990, section 325E.125, subdivision 2, is amended to read:

Subd. 2. [MERCURY CONTENT.] (a) Except as provided in paragraph (c), a manufacturer may not sell, distribute, or offer for sale in this state an alkaline manganese battery that contains more than .30 percent mercury by weight, or after February 1, 1992, 0.025 percent mercury by weight.

(b) On application by a manufacturer, the commissioner of the pollution control agency may exempt a specific type of battery from the requirements of paragraph (a) or (d) if there is no battery meeting the requirements that can be reasonably substituted for the battery for which the exemption is sought. The manufacturer of a battery exempted by the commissioner under this paragraph is subject to the requirements of section 115A.9155, subdivision 2.

(c) Notwithstanding paragraph (a), a manufacturer may not sell, distribute, or offer for sale in this state after January 1, 1992, a button cell alkaline manganese nonrechargeable battery not subject to paragraph (a) that contains more than 25 milligrams of mercury.

(d) A manufacturer may not sell, distribute, or offer for sale in this state a dry cell battery containing a mercuric oxide electrode.

(e) After January 1, 1996, a manufacturer may not sell, distribute, or offer for sale in this state an alkaline manganese battery, except an alkaline manganese button cell, that contains mercury unless the commissioner of the pollution control agency determines that compliance with this requirement is not technically and commercially feasible.

Sec. 4. Minnesota Statutes 1990, section 325E.125, is amended by adding a subdivision to read:

Subd. 2a. [APPROVAL OF NEW BATTERIES.] A manufacturer may not sell, distribute, or offer for sale in this state a nonrechargeable battery other than a zinc air, zinc carbon, silver oxide, lithium, or alkaline manganese battery, without first having received approval of the battery from the commissioner of the pollution control agency. The commissioner shall approve only batteries that comply with subdivision 1 and do not pose an undue hazard when disposed of. This subdivision is intended to ensure that new types of batteries do not add additional hazardous or toxic materials to the state's mixed municipal waste stream.

Sec. 5. Minnesota Statutes 1990, section 325E.125, is amended by adding a subdivision to read:

Subd. 4. [RECHARGEABLE BATTERIES AND PRODUCTS; NOTICE.] (a) A person who sells rechargeable batteries or products powered by rechargeable batteries governed by section 115A.9157 at retail shall post the notice in paragraph (b) in a manner clearly visible to a consumer making purchasing decisions.

(b) The notice must be at least 4 inches by 6 inches and state:

'ATTENTION USERS OF RECHARGEABLE BATTERIES AND CORDLESS PRODUCTS:

Under Minnesota law, manufacturers of rechargeable batteries, rechargeable battery packs, and products powered by nonremovable rechargeable batteries will provide a special collection system for these items by April 15, 1994. It is illegal to put rechargeable batteries in the garbage. Use the special collection system that will be provided in your area. Take care of our environment.

DO NOT PUT RECHARGEABLE BATTERIES OR PRODUCTS POWERED BY NONREMOVABLE RECHARGEABLE BATTERIES IN THE GARBAGE.

(c) Notice is not required for home solicitation sales, as defined in section 325G.06, or for catalogue sales.

Sec. 6. Minnesota Statutes 1990, section 325E.125, is amended by adding a subdivision to read:

Subd. 5. [PROHIBITIONS.] A manufacturer of rechargeable batteries or products powered by rechargeable batteries that does not participate in the pilot projects and programs required in section 115A.9157 may not sell, distribute, or offer for sale in this state rechargeable batteries or products powered by rechargeable batteries after January 1, 1992.

After January 1, 1992, a person who first purchases rechargeable batteries or products powered by rechargeable batteries for importation into the state for resale may not purchase rechargeable batteries or products powered by rechargeable batteries made by any person other than a manufacturer that participates in the projects and programs required under section 115A.9157.

Sec. 7. Minnesota Statutes 1990, section 325E.1251, is amended to read:

325E.1251 [PENALTY ENFORCEMENT.]

Subdivision 1. [PENALTY.] Violation of sections 115A.9155 and 325E.125 is a misdemeanor. A manufacturer who violates section 115A.9155 or 325E.125 is also subject to a minimum fine of \$100 per violation.

Subd. 2. [RECOVERY OF COSTS.] In an enforcement action under this section in which the state prevails, the state may recover reasonable administrative expenses, court costs, and attorney fees incurred to take the enforcement action, in an amount to be determined by the court.

Sec. 8. [EFFECTIVE DATES.]

(a) Section 3, paragraphs (a), (b), and (d), are effective February 1, 1992, and apply to batteries manufactured on or after that date.

(b) For zinc air batteries that exceed 100 milligrams in weight, section 3, paragraph (c), is effective February 1, 1993, and applies to batteries manufactured on or after that date.

(c) For all other batteries, section 3, paragraph (c), is effective August 1, 1991, and applies to batteries manufactured on or after that date. Section 3, paragraph (e), applies to batteries manufactured on or after January 1, 1996."

Delete the title and insert:

"A bill for an act relating to the environment; establishing maximum content levels of mercury in batteries; prohibiting certain batteries; prohibiting the disposal of rechargeable batteries in mixed municipal solid waste; requiring a notice to consumers; amending Minnesota Statutes 1990, sections 115A.9155, subdivision 2; 325E.125, subdivision 2, and by adding subdivisions; and 325E.1251; proposing coding for new law in Minnesota Statutes, chapter 115A."

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

Senate Conferees: GREGORY L. DAHL, GENE MERRIAM AND GARY W. LAIDIG.

House Conferees: JEAN WAGENIUS, BOB JOHNSON AND SIDNEY PAULY.

Wagenius moved that the report of the Conference Committee on S. F. No. 793 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 793, A bill for an act relating to the environment; establishing maximum content levels of mercury in batteries; prohibiting certain batteries; amending Minnesota Statutes 1990, sections 115A.9155, subdivision 2; 325E.125, subdivision 2, and by adding a subdivision; and 325E.1251.

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	Bettermann	Dauner	Frerichs	Hasskamp
Anderson, I.	Blatz	Davids	Garcia	Haukoos
Anderson, R.	Bodahl	Dawkins	Girard	Hausman
Anderson, R. H.	Boo	Dempsey	Goodno	Heir
Battaglia	Brown	Dille	Greenfield	Henry
Bauerly	Carlson	Dorn	Gruenes	Hufnagle
Beard	Carruthers	Erhardt	Gutknecht	Hugoson
Begich	Clark	Farrell	Hanson	Janezich
Bertram	Cooper	Frederick	Hartle	Jaros

Jefferson	Lourey	Olson, E.	Rukavina	Tompkins
Jennings	Lynch	Olson, K.	Runbeck	Trimble
Johnson, A.	Macklin	Omann	Sarna	Tunheim
Johnson, R.	Mariani	Onnen	Schafer	Uphus
Johnson, V.	Marsh	Orenstein	Scheid	Valento
Kahn	McEachern	Orfield	Schreiber	Vellenga
Kalis	McGuire	Osthoff	Seaberg	Wagenius
Kelso	McPherson	Ostrom	Segal	Weaver
Kinkel	Milbert	Ozment	Simoneau	Wejcman
Knickerbocker	Morrison	Pauly	Skoglund	Welker
Koppendrayner	Munger	Pellow	Smith	Welle
Krinkie	Murphy	Pelowski	Solberg	Wenzel
Krueger	Nelson, K.	Peterson	Sparby	Winter
Lasley	Nelson, S.	Pugh	Stanius	Spk. Vanasek
Leppik	Newinski	Reding	Steensma	
Lieder	O'Connor	Rest	Sviggum	
Limmer	Ogren	Rice	Swenson	
Long	Olsen, S.	Rodosovich	Thompson	

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

Mr. Speaker:

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

S. F. No. 526.

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. 526

A bill for an act relating to crime; sentencing; clarifying and revising the intensive community supervision program; amending Minnesota Statutes 1990, sections 244.05, subdivision 6; 244.12; 244.13; 244.14; and 244.15.

May 18, 1991

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. 526, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 526, be further amended as follows:

Page 3, lines 17 to 20, delete the new language

Page 3, line 20, after the period insert "In awarding contracts for intensive supervision programs in community corrections act counties, the commissioner shall give first priority to programs that utilize county employees as intensive supervision agents and shall give second priority to programs that utilize state employees as intensive supervision agents. The commissioner may award contracts to other providers in community corrections act counties only if doing so will result in a significant cost savings or a significant increase in the quality of services provided, and only after notifying the chairs of the judiciary committees in the senate and house of representatives."

Page 7, after line 7, insert:

"Sec. 6. Minnesota Statutes 1990, section 244.09, subdivision 2, is amended to read:

Subd. 2. The sentencing guidelines commission shall consist of the following:

- (1) the chief justice of the supreme court or a designee;
- (2) one judge of the court of appeals, appointed by the chief justice of the supreme court;
- (3) one district court judge appointed by the chief justice of the supreme court;
- (4) one public defender appointed by the governor upon recommendation of the state public defender;
- (5) one county attorney appointed by the governor upon recommendation of the board of ~~governors~~ directors of the Minnesota county attorneys council association;
- (6) the commissioner of corrections or a designee;
- (7) one peace officer as defined in section 626.84 appointed by the governor;
- (8) one probation officer or parole officer appointed by the governor; and
- (9) three public members appointed by the governor, one of whom shall be a victim of a crime defined as a felony.

When an appointing authority selects individuals for membership on the commission, the authority shall make reasonable efforts to appoint qualified members of protected groups, as defined in section 43A.02, subdivision 33.

One of the members shall be designated by the governor as chair of the commission."

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

Page 7, line 9, delete "5" and insert "6"

Amend the title as follows:

Page 1, line 3, after "program;" insert "providing for the composition of the sentencing guidelines commission;"

Page 1, line 5, after "6;" insert "244.09, subdivision 2;"

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

Senate Conferees: ALLAN H. SPEAR, JANE B. RANUM AND THOMAS M. NEUVILLE.

House Conferees: MARY JO MCGUIRE, LEE GREENFIELD AND ART SEABERG.

McGuire moved that the report of the Conference Committee on S. F. No. 526 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 526, A bill for an act relating to crime; sentencing; clarifying and revising the intensive community supervision program; amending Minnesota Statutes 1990, sections 244.05, subdivision 6; 244.12; 244.13; 244.14; and 244.15.

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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Battaglia	Bertram	Boo	Clark
Anderson, I.	Bauerly	Bettermann	Brown	Cooper
Anderson, R.	Beard	Blatz	Carlson	Dauner
Anderson, R. H.	Begich	Bodahl	Carruthers	Davids

Dawkins	Jacobs	Macklin	Ostrom	Sparby
Dempsey	Janezich	Mariani	Ozment	Stanius
Dille	Jaros	Marsh	Pauly	Steensma
Dorn	Jefferson	McEachern	Pellow	Sviggum
Erhardt	Jennings	McGuire	Pelowski	Swenson
Farrell	Johnson, A.	McPherson	Peterson	Thompson
Frederick	Johnson, R.	Milbert	Pugh	Tompkins
Frerichs	Johnson, V.	Morrison	Reding	Trimble
Garcia	Kahn	Munger	Rest	Tunheim
Girard	Kalis	Murphy	Rice	Uphus
Goodno	Kelso	Nelson, K.	Rodosovich	Valento
Greenfield	Kinkel	Nelson, S.	Rukavina	Vellenga
Gruenes	Knickerbocker	Newinski	Runbeck	Wagenius
Gutknecht	Koppendrayner	O'Connor	Sarna	Waltman
Hanson	Krinkie	Ogren	Schafer	Weaver
Hartle	Krueger	Olsen, S.	Scheid	Wejcman
Hasskamp	Lasley	Olson, E.	Schreiber	Welker
Haukoos	Leppik	Olson, K.	Seaberg	Welle
Hausman	Lieder	Omann	Segal	Wenzel
Heir	Limmer	Onnen	Simoneau	Winter
Henry	Long	Orenstein	Skoglund	Spk. Vanasek
Hufnagle	Lourey	Orfield	Smith	
Hugoson	Lynch	Osthoff	Solberg	

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

SPECIAL ORDERS

S. F. No. 919, A bill for an act relating to government operations; amending provisions to adopt emergency game and fish rules; providing alternative methods of publishing game and fish rules; deleting obsolete references to publication under the game and fish laws; authorizing the commissioner to protect wild animals by emergency rule; authorizing the commissioner to set seasons and limits for migratory birds and waterfowl; authorizing the commissioner to allow or prohibit hunting and fishing on certain state lands; amending Minnesota Statutes 1990, sections 3.846, subdivisions 1 and 4; 14.03, subdivision 3; 14.29, subdivision 2, and by adding a subdivision; 14.38, subdivision 6; 84.944, subdivision 1; 84A.02; 86A.06; 86B.211; 97A.045, subdivision 2; 97A.051, subdivisions 1, 2, and 4; 97A.081; 97A.141, by adding a subdivision; 97B.731, subdivision 1; and 97C.805, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 97A and 97B.

The bill was read for the third time and placed upon its final passage.

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

Those who voted in the affirmative were:

Abrams	Anderson, R.	Battaglia	Beard	Bertram
Anderson, I.	Anderson, R. H.	Bauerly	Begich	Bettermann

Blatz	Hartle	Leppik	Onnen	Smith
Bodahl	Hasskamp	Lieder	Orenstein	Solberg
Boo	Haukoos	Limmer	Orfield	Sparby
Brown	Hausman	Long	Osthoff	Stanius
Carlson	Heir	Lourey	Ostrom	Steenasma
Carruthers	Henry	Lynch	Ozmont	Sviggum
Clark	Hufnagle	Macklin	Pauly	Swenson
Cooper	Hugoson	Mariani	Pellow	Thompson
Dauner	Jacobs	Marsh	Pelowski	Tompkins
Davids	Janezich	McEachern	Peterson	Trimble
Dawkins	Jaros	McGuire	Pugh	Tunheim
Dempsey	Jefferson	McPherson	Reding	Uphus
Dille	Jennings	Milbert	Rest	Valento
Dorn	Johnson, A.	Morrison	Rice	Vellenga
Erhardt	Johnson, R.	Munger	Rodosovich	Wagenius
Farrell	Johnson, V.	Murphy	Rukavina	Waltman
Frederick	Kahn	Nelson, K.	Runbeck	Weaver
Frerichs	Kalis	Nelson, S.	Sarna	Wejckman
Garcia	Kelso	Newinski	Schafer	Welker
Girard	Kinkel	O'Connor	Scheid	Welle
Goodno	Knickerbocker	Ogren	Schreiber	Wenzel
Greenfield	Koppendrayner	Olsen, S.	Seaberg	Winter
Gruenes	Krinkie	Olson, E.	Segal	Spk. Vanasek
Gutknecht	Krueger	Olson, K.	Simoneau	
Hanson	Lasley	Omann	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 1693 was reported to the House.

Macklin moved that H. F. No. 1693 be continued on Special Orders. The motion prevailed.

S. F. No. 720 was reported to the House.

Clark moved that S. F. No. 720 be temporarily laid over on Special Orders. The motion prevailed.

S. F. No. 432, A bill for an act relating to employment; regulating certain construction bids; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 181.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 121 yeas and 11 nays as follows:

Those who voted in the affirmative were:

Abrams	Battaglia	Bertram	Brown	Cooper
Anderson, I.	Bauerly	Blatz	Carlson	Dauner
Anderson, R.	Beard	Bodahl	Carruthers	Dawkins
Anderson, R. H.	Begich	Boo	Clark	Dempsey

Dille	Jefferson	McEachern	Pauly	Sparby
Dorn	Jennings	McGuire	Pellow	Stanius
Farrell	Johnson, A.	McPherson	Pelowski	Steensma
Frederick	Johnson, R.	Milbert	Peterson	Swenson
Garcia	Johnson, V.	Morrison	Pugh	Thompson
Girard	Kahn	Munger	Reding	Trimble
Goodno	Kalis	Murphy	Rest	Tunheim
Greenfield	Kelso	Nelson, K.	Rice	Uphus
Gruenes	Kinkel	Nelson, S.	Rodosovich	Valento
Gutknecht	Knickerbocker	Newinski	Rukavina	Vellenga
Hanson	Koppendrayner	O'Connor	Runbeck	Wagenius
Hartle	Krueger	Ogren	Sarna	Weaver
Hasskamp	Lasley	Olsen, S.	Schafer	Wejcman
Haukoos	Leppik	Olson, E.	Scheid	Welle
Heir	Lieder	Olson, K.	Schreiber	Wenzel
Henry	Long	Omann	Seaberg	Winter
Hufnagle	Lourey	Orenstein	Segal	Spk. Vanasek
Hugoson	Lynch	Orfield	Simoneau	
Jacobs	Macklin	Osthoff	Skoglund	
Janezich	Mariani	Ostrom	Smith	
Jaros	Marsh	Ozment	Solberg	

Those who voted in the negative were:

Bettermann	Frerichs	Onnen	Waltman
Davids	Krinkie	Sviggum	Welker
Erhardt	Limmer	Tompkins	

The bill was passed and its title agreed to.

Nelson, K., was excused for the remainder of today's session.

S. F. No. 720 which was temporarily laid over earlier today was again reported to the House.

Clark moved to amend S. F. No. 720, as follows:

Delete everything after the enacting clause and insert:

“ARTICLE 1

LANDLORD AND TENANT

Section 1. Minnesota Statutes 1990, section 481.02, subdivision 3, is amended to read:

Subd. 3. [PERMITTED ACTIONS.] The provisions of this section shall not prohibit:

(1) any person from drawing, without charge, any document to which the person, an employer of the person, a firm of which the person is a member, or a corporation whose officer or employee the person is, is a party, except another's will or testamentary disposition or instrument of trust serving purposes similar to those of a will;

(2) a person from drawing a will for another in an emergency if the imminence of death leaves insufficient time to have it drawn and its execution supervised by a licensed attorney-at-law;

(3) any insurance company from causing to be defended, or from offering to cause to be defended through lawyers of its selection, the insureds in policies issued or to be issued by it, in accordance with the terms of the policies;

(4) a licensed attorney-at-law from acting for several common-carrier corporations or any of its subsidiaries pursuant to arrangement between the corporations;

(5) any bona fide labor organization from giving legal advice to its members in matters arising out of their employment;

(6) any person from conferring or cooperating with a licensed attorney-at-law of another in preparing any legal document, if the attorney is not, directly or indirectly, in the employ of the person or of any person, firm, or corporation represented by the person;

(7) any licensed attorney-at-law of Minnesota, who is an officer or employee of a corporation, from drawing, for or without compensation, any document to which the corporation is a party or in which it is interested personally or in a representative capacity, except wills or testamentary dispositions or instruments of trust serving purposes similar to those of a will, but any charge made for the legal work connected with preparing and drawing the document shall not exceed the amount paid to and received and retained by the attorney, and the attorney shall not, directly or indirectly, rebate the fee to or divide the fee with the corporation;

(8) any person or corporation from drawing, for or without a fee, farm or house leases, notes, mortgages, chattel mortgages, bills of sale, deeds, assignments, satisfactions, or any other conveyances except testamentary dispositions and instruments of trust;

(9) a licensed attorney-at-law of Minnesota from rendering to a corporation legal services to itself at the expense of one or more of its bona fide principal stockholders by whom the attorney is employed and by whom no compensation is, directly or indirectly, received for the services;

(10) any person or corporation engaged in the business of making collections from engaging or turning over to an attorney-at-law for the purpose of instituting and conducting suit or making proof of claim of a creditor in any case in which the attorney-at-law receives the entire compensation for the work;

(11) any regularly established farm journal or newspaper, devoted

to general news, from publishing a department of legal questions and answers to them, made by a licensed attorney-at-law, if no answer is accompanied or at any time preceded or followed by any charge for it, any disclosure of any name of the maker of any answer, any recommendation of or reference to any one to furnish legal advice or services, or by any legal advice or service for the periodical or any one connected with it or suggested by it, directly or indirectly;

(12) any authorized management agent of an owner of rental property used for residential purposes, whether the management agent is a natural person, corporation, partnership, limited partnership, or any other business entity, from commencing, maintaining, conducting, or defending in its own behalf any action in any court in this state to recover or retain possession of the property, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal; and

(13) any person from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state pursuant to the provisions of section 566.175 or sections 566.18 to ~~566.33~~ 566.35 or from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state for the recovery of rental property used for residential purposes pursuant to the provisions of section 566.02 or 566.03, subdivision 1, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal, and provided that, except for a nonprofit corporation, a person who is not a licensed attorney-at-law shall not charge or collect a separate fee for services rendered pursuant to this clause.

Sec. 2. Minnesota Statutes 1990, section 504.02, is amended to read:

**504.02 [CANCELLATION OF LEASES IN CERTAIN CASES;
ABANDONMENT OR SURRENDER OF POSSESSION.]**

Subdivision 1. [ACTION TO RECOVER.] (a) In case of a lease of real property, when the landlord has a subsisting right of reentry for the failure of the tenant to pay rent the landlord may bring an action to recover possession of the property and such action is equivalent to a demand for the rent and a reentry upon the property; but if, at any time before possession has been delivered to the plaintiff on recovery in the action, the lessee or a successor in interest as to the whole or any part of the property pays to the plaintiff or brings into court the amount of the rent then in arrears, with interest and costs of the action, and an attorney's fee not exceeding \$5, and performs the other covenants on the part of the lessee, the lessee or successor may

be restored to the possession and hold the property according to the terms of the original lease.

(b) If the tenant has paid to the plaintiff or brought into court the amount of rent in arrears but is unable to pay the interest, costs of the action, and attorney's fee required by this subdivision, the court may permit the defendant to pay these amounts into court and be restored to possession within the same period of time, if any, which the court stays the issuance of the writ of restitution pursuant to section 566.09.

(c) Prior to or after commencement of an action to recover possession for nonpayment of rent, the parties may agree only in writing that partial payment of rent in arrears which is accepted by the landlord prior to issuance of the order granting restitution of the premises pursuant to section 566.09 may be applied to the balance due and does not waive the landlord's action to recover possession of the premises for nonpayment of rent.

(d) Rental payments under this subdivision must first be applied to rent claimed as due in the complaint from prior rental periods before applying any payment toward rent claimed in the complaint for the current rental period unless the court finds that under the circumstances the claim for rent from prior rental periods has been waived.

Subd. 2. [LEASE GREATER THAN 20 YEARS.] (a) If the lease under which the right of reentry is claimed is a lease for a term of more than 20 years, reentry cannot be made into the land or such action commenced by the landlord unless, after default, the landlord shall serve upon the tenant, also upon all creditors having a lien of record legal or equitable upon the leased premises or any part thereof, a written notice that the lease will be canceled and terminated unless the payment or payments in default shall be made and the covenants in default shall be performed within 30 days after the service of such notice, or within such greater period as the lessor shall specify in the notice, and if such default shall not be removed within the period specified within the notice, then the right of reentry shall be complete at the expiration of the period and may be exercised as provided by law. If any such lease shall provide that the landlord, after default, shall give more than 30 days' notice in writing to the tenant of the landlord intention to terminate the tenancy by reason of default in terms thereof, then the length of the notice to terminate shall be the same as provided for and required by the lease.

(b) As to such leases for a term of more than 20 years, if at any time before the expiration of six months after possession obtained by the plaintiff by abandonment or surrender of possession by the tenant or on recovery in the action, the lessee or a successor in interest as to the whole or part of the property, or any creditor

having a lien legal or equitable upon the leased premises or any part thereof, pays to the plaintiff, or brings into court, the amount of rent then in arrears, with interest and the costs of the action, and performs the other covenants on the part of the lessee, the lessee or successor may be restored to the possession and hold the property according to the terms of the original lease. The provisions of this section shall not apply to any action or proceeding now pending in any of the courts of this state.

Subd. 3. [JUDGMENT TO BE RECORDED.] Upon recovery of possession by the landlord in the action a certified copy of the judgment shall be recorded in the office of the county recorder of the county where the land is situated if unregistered land or in the office of the registrar of titles of such county if registered land and upon recovery of possession by the landlord by abandonment or surrender by the tenant an affidavit by the landlord or the landlord's attorney setting forth such fact shall be recorded in a like manner and such recorded certified copy of such judgment or such recorded affidavit shall be prima facie evidence of the facts stated therein in reference to the recovery of possession by such landlord.

Sec. 3. Minnesota Statutes 1990, section 504.185, subdivision 2, is amended to read:

Subd. 2. [PROCEDURE.] When a municipality, utility company, or other company supplying home heating oil, propane, natural gas, electricity, or water to a building has issued a final notice or has posted the building proposing to disconnect or discontinued the service to the building because an owner who has contracted for the service has failed to pay for it or because an owner is required by law or contract to pay for the service and fails to do so, a tenant or group of tenants may pay to have the service continued or reconnected as provided under this section. Before paying for the service, the tenant or group of tenants shall give oral or written notice to the owner of the tenant's intention to pay after 48 hours, or a shorter period that is reasonable under the circumstances, if the owner has not already paid for the service. In the case of oral notification, written notice shall be mailed or delivered to the owner within 24 hours after oral notice is given.

(a) In the case of natural gas, electricity, or water, if the owner has not yet paid the bill by the time of the tenant's intended payment, or if the service remains discontinued, the tenant or tenants may pay the outstanding bill for the most recent billing period, if the utility company or municipality will restore the service for at least one billing period.

(b) In the case of home heating oil or propane, if the owner has not yet paid the bill by the time of the tenant's intended payment, or if the service remains discontinued, the tenant or tenants may order

and pay for one month's supply of the proper grade and quality of oil or propane.

After submitting receipts for the payment to the owner, a tenant may deduct the amount of the tenant's payment from the rental payment next paid to the owner. Any amount paid to the municipality, utility company, or other company by a tenant under this subdivision is considered payment of rent to the owner for purposes of section 504.02.

Sec. 4. Minnesota Statutes 1990, section 504.20; subdivision 3, is amended to read:

Subd. 3. Every landlord shall, within three weeks after termination of the tenancy or within five days of the date when the tenant leaves the building or dwelling due to the legal condemnation of the building or dwelling in which the tenant lives for reasons not due to willful, malicious, or irresponsible conduct of the tenant, and receipt of the tenant's mailing address or delivery instructions, return the deposit to the tenant, with interest thereon as above provided, or furnish to the tenant a written statement showing the specific reason for the withholding of the deposit or any portion thereof. It shall be sufficient compliance with the time requirement of this subdivision if the deposit or written statement required by this subdivision is placed in the United States mail as first class mail, postage prepaid, in an envelope with a proper return address, correctly addressed according to the mailing address or delivery instructions furnished by the tenant, within the time required by this subdivision. The landlord may withhold from the deposit only amounts reasonably necessary:

(a) To remedy tenant defaults in the payment of rent or of other funds due to the landlord pursuant to an agreement; or

(b) To restore the premises to their condition at the commencement of the tenancy, ordinary wear and tear excepted.

In any action concerning the deposit, the burden of proving, by a fair preponderance of the evidence, the reason for withholding all or any portion of the deposit shall be on the landlord.

Sec. 5. Minnesota Statutes 1990, section 504.20, subdivision 4, is amended to read:

Subd. 4. Any landlord who fails to provide a written statement within three weeks of termination of the tenancy or within five days of the date when the tenant leaves the building or dwelling due to the legal condemnation of the building or dwelling in which the tenant lives for reasons not due to willful, malicious, or irresponsible conduct of the tenant, and receipt of the tenant's mailing address

or delivery instructions, as required in subdivision 3, shall be liable to the tenant for damages in an amount equal to the portion of the deposit withheld by the landlord and interest thereon as provided in subdivision 2, as a penalty, in addition to the portion of the deposit wrongfully withheld by the landlord and interest thereon.

Sec. 6. [504.246] [TORT LIABILITY.]

A landlord is liable for damages for personal injury caused to a tenant, or others on the premises with the consent of the tenant, or a subtenant by a condition existing before or after the tenant took possession of the premises, which is a breach of an express covenant to repair or maintain the leased premises or is a breach of the covenants specified in section 504.18, subdivision 1, if:

(1) the condition created an unreasonable risk on the premises which performance of the landlord's covenants would have prevented;

(2) the landlord knew of the condition; and

(3) the landlord failed to perform the covenants.

The provisions of this section do not limit any rights or remedies a tenant otherwise has under another statute or in contract or tort at common law.

Sec. 7. Minnesota Statutes 1990, section 504.27, is amended to read:

504.27 [REMEDIES ARE ADDITIONAL.]

The remedies provided in sections 504.24 to 504.26 are in addition to and shall not limit other rights or remedies available to landlords and tenants. Any provision, whether oral or written, of any lease or other agreement, whereby any provision of sections 504.24 to 504.27 is waived by a tenant is contrary to public policy and void. The provisions of sections 504.24 to 504.27 shall apply only to tenants as that term is defined in section 566.18, subdivision 2, and buildings as that term is defined in section 566.18, subdivision 7. The provisions of sections 504.24, 504.25, 504.255, and 504.26 apply to occupants and owners of residential real property which is the subject of a mortgage foreclosure or contract for deed cancellation and as to which the period for redemption or reinstatement of the contract has expired.

ARTICLE 2
UNLAWFUL DETAINER

Section 1. Minnesota Statutes 1990, section 566.03, subdivision 1, is amended to read:

Subdivision 1. The person entitled to the premises may recover possession in the manner provided in this section when:

(1) any person holds over lands or tenements after a sale thereof on an execution or judgment, or on foreclosure of a mortgage, and expiration of the time for redemption, or after termination of contract to convey the same, provided that if the person holding such lands or tenements after the sale, ~~foreclosure expiration of the time for redemption,~~ or termination is a tenant, the person has received:

(i) ~~at least one month's written notice of the termination of tenancy as a result of to vacate no sooner than one month after the sale, foreclosure expiration of the time for redemption, or termination; or when~~

(ii) at least one month's written notice to vacate no later than the date of the sale, expiration of the time for redemption, or termination which notice shall also state that the sender will hold the tenant harmless from any damages caused to the tenant if no sale occurs, the mortgage is redeemed, or the contract is reinstated;

(2) any person holds over lands or tenements after termination of the time for which they are demised or let to that person or to the persons under whom that person holds possession, or contrary to the conditions or covenants of the lease or agreement under which that person holds, or after any rent becomes due according to the terms of such lease or agreement; or ~~when~~

(3) any tenant at will holds over after the determination of any such the estate by notice to quit; ~~in all such cases the person entitled to the premises may recover possession thereof in the manner hereinafter provided.~~

Sec. 2. Minnesota Statutes 1990, section 566.17, is amended by adding a subdivision to read:

Subd. 2a. In the second and fourth judicial districts, the housing calendar consolidation project shall retain jurisdiction in matters relating to removal of property under this section. If the plaintiff refuses to return the property after proper demand is made as provided in section 504.24, the court shall enter an order requiring the plaintiff to return the property to the defendant and awarding reasonable expenses including attorney fees to the defendant.

Sec. 3. Minnesota Statutes 1990, section 566.175, subdivision 6, is amended to read:

Subd. 6. ~~The provisions of This section shall apply only~~ applies to:

(1) ~~tenants as that term is defined in section 566.18, subdivision 2, and including occupants and owners of residential real property which is the subject of a mortgage foreclosure or contract for deed cancellation and as to which the period for redemption or reinstatement of the contract has expired;~~

(2) ~~buildings as that term is defined in section 566.18, subdivision 7; and~~

(3) ~~landlords as the term "owner" is defined in section 566.18, subdivision 3, but also including mortgagees and contract for deed vendors.~~

Sec. 4. Minnesota Statutes 1990, section 566.18, subdivision 9, is amended to read:

Subd. 9. [NEIGHBORHOOD ORGANIZATION.] "Neighborhood organization" means a nonprofit corporation incorporated under chapter 317A that satisfies clauses (1) and (2).

The corporation shall:

(1) designate in its articles of incorporation or bylaws a specific geographic community to which its activities are limited; and

(2) be formed for the purposes of promoting community safety, crime prevention, and housing quality in a nondiscriminatory manner.

For purposes of this chapter, an action taken by a neighborhood organization with the written permission of a tenant means, with respect to a building with multiple dwelling units, an action taken by the neighborhood organization with the written permission of the tenants of a majority of the occupied units.

Sec. 5. Minnesota Statutes 1990, section 566.19, subdivision 2, is amended to read:

Subd. 2. ~~After an inspection of a building has been made upon demand by a tenant or neighborhood organization with the written permission of a tenant, the owner or the owner's agent and the complaining tenant or neighborhood organization shall be informed in writing by the inspector of any code violations discovered and a reasonable period of time shall be allowed in which to correct the violations. If any code violations are discovered in the common areas~~

of the building and the owner fails to correct them within the time allowed, the inspector shall, in addition, provide written notice of such violations to all tenants in the building. Any such notice provided by the inspector shall state that if the violations are not corrected any tenant, neighborhood organization with the written permission of a tenant, or if the building is unoccupied, a neighborhood organization, may commence an action under sections 566.18 to 566.33 to correct the violations and shall also state the relief available under section 566.25.

Sec. 6. Minnesota Statutes 1990, section 566.205, subdivision 1, is amended to read:

Subdivision 1. [PETITION.] A person authorized to bring an action under section 566.20 may petition the court for relief in cases of condemnation of the building or dwelling or service of a notice of intent to condemn the building or dwelling, or emergency involving the loss of running water, hot water, heat, electricity, sanitary facilities, or other essential services or facilities that the owner is responsible for providing.

Sec. 7. Minnesota Statutes 1990, section 566.205, subdivision 3, is amended to read:

Subd. 3. [PETITION INFORMATION.] The petitioner shall present a verified petition to the district court that states the following:

- (1) a description of the premises and the identity of the owner;
- (2) a statement of the facts and grounds that demonstrate the existence of condemnation of the building or dwelling or service of notice of intent to condemn the building or dwelling, or an emergency caused by the loss of essential services or facilities; and
- (3) a request for relief.

Sec. 8. Minnesota Statutes 1990, section 566.205, subdivision 4, is amended to read:

Subd. 4. [NOTICE.] The petitioner shall attempt to notify the owner, at least 24 hours before application to the court, of the petitioner's intent to seek emergency relief. The petitioner shall attempt to give the same notice to the applicable unit of government if relief from condemnation is sought under section 566.25, paragraph (f). An order may be granted without notice to the owner or applicable unit of government on finding that reasonable efforts, as set forth in the petition or by separate affidavit, were made to notify the owner but that the efforts were unsuccessful.

Sec. 9. Minnesota Statutes 1990, section 566.21, subdivision 2, is amended to read:

Subd. 2. The summons and complaint shall be served upon the owner or the owner's agent, and upon the applicable unit of government if relief from condemnation is sought under section 566.25, paragraph (f), at least five and not more than ten days before the time at which the complaint is to be heard. Service shall be by personal service upon the defendant pursuant to the Minnesota rules of civil procedure except that if such service cannot be made with due diligence, service may be made by affixing a copy of the summons and complaint prominently to the building involved, and mailing at the same time a copy of the summons and complaint by certified mail to the last known address of the defendant.

Sec. 10. Minnesota Statutes 1990, section 566.25, is amended to read:

566.25 [JUDGMENT.]

Upon finding the complaint proved, the court may, in its discretion, do any or all of the following, either alone or in combination:

(a) Order the owner to remedy the violation or violations found by the court to exist if the court is satisfied that corrective action will be undertaken promptly; or

(b) Order the tenant to remedy the violation or violations found by the court to exist and deduct the cost from the rent subject to the terms as the court determines to be just; or

(c) Appoint an administrator with powers as set out in section 566.29, and

(1) direct that rents due:

(i) on and from the day of entry of judgment, in the case of petitioning tenants or neighborhood organizations, and

(ii) on and from the day of service of the judgment on all other tenants and commercial tenants of the building, if any, shall be deposited with the administrator appointed by the court, and

(2) direct that the administrator use the rents collected for the purpose of remedying the violations found to exist by the court paying the debt service, taxes and insurance, and providing the services necessary to the ordinary operation and maintenance of the building which the owner is obligated to provide but fails or refuses to provide; or

(d) Find the extent to which any uncorrected violations impair the tenants' use and enjoyment of the premises contracted for and order the rent abated accordingly. Should the court choose to enter judgment under this paragraph the parties shall be informed and the court shall find the amount by which the rent shall be abated;

(e) After termination of administration, continue the jurisdiction of the court over the building for a period of one year and order the owner to maintain the building in compliance with all applicable state, county, and city health, safety, housing, building, fire prevention, and housing maintenance codes; ~~and~~

(f) Order the applicable unit of government to stay condemnation of the building or dwelling if other relief ordered by the court will correct the violations giving rise to the condemnation or notice of intent to condemn within a reasonable time considering the nature and extent of the violations; or

(g) Grant any other relief the court deems just and proper, including a judgment against the owner for reasonable attorney fees, not to exceed \$500, in the case of a prevailing tenant or neighborhood organization. The \$500 limitation does not apply to awards made under section 549.21 or other specific statutory authority.

Sec. 11. Minnesota Statutes 1990, section 566.29, subdivision 2, is amended to read:

Subd. 2. Such person or neighborhood organization shall post bond to the extent of the rents expected by the court to be necessary to be collected to correct the violation or violations. Administrators appointed from the governmental agencies shall not be required to give bond.

Sec. 12. Minnesota Statutes 1990, section 566.29, subdivision 4, is amended to read:

Subd. 4. [POWERS.] The administrator is authorized to:

(a) Collect rents from tenants and commercial tenants, evict tenants and commercial tenants for nonpayment of rent or other cause, enter into leases for vacant dwelling units, rent vacant commercial units with the consent of the owner and exercise all other powers necessary and appropriate to carry out the purposes of Laws 1973, chapter 611;

(b) Contract for the reasonable cost of materials, labor and services necessary to remedy the violation or violations found by the court to exist and for the rehabilitation of the property in order to maintain safe and habitable conditions over the useful life of the

property, and make disbursements for payment therefor from funds available for the purpose;

(c) Provide any services to the tenants which the owner is obligated to provide but refuses or fails to provide, and pay for them from funds available for the purpose;

(d) Petition the court, after notice to the parties, for an order allowing the administrator to encumber the ~~premise~~ premises to secure funds to the extent necessary to cover the cost of materials, labor, and services, including reasonable fees for the administrator's services, necessary to remedy the violation or violations found by the court to exist and for rehabilitation of the property in order to maintain safe and habitable conditions over the useful life of the property, and to pay for them from funds derived from the encumbrance; and

(e) Petition the court, after notice to the parties, for an order allowing the administrator to receive funds made available for this purpose by the federal or state governing body or the municipality to the extent necessary to cover the cost of materials, labor, and services necessary to remedy the violation or violations found by the court to exist and for rehabilitation of the property in order to maintain safe and habitable conditions over the useful life of the property, and pay for them from funds derived from ~~the municipal sources~~ this source. The municipality shall recover disbursements by special assessment on the real estate affected, bearing interest at the rate determined by the municipality, not exceeding the rate established for finance charges for open-end credit sales under section 334.16, subdivision 1, clause (b), with the assessment, interest and any penalties to be collected the same as special assessments made for other purposes under state statute or municipal charter.

Sec. 13. Minnesota Statutes 1990, section 566.34, subdivision 2, is amended to read:

Subd. 2. [ESCROW OF RENT.] If a violation exists in a building, a tenant may deposit the amount of rent due to the owner with the court administrator using the following procedure:

(a) For a violation of section 566.18, subdivision 6, clause (a), the tenant may deposit with the court administrator the rent due the owner along with a copy of the written notice of the code violation as provided in section 566.19, subdivision 2. The tenant may not deposit the rent or file the written notice of the code violation until the time granted to make repairs has expired without satisfactory repairs being made, unless the tenant alleges that the time granted is excessive.

(b) For a violation of section 566.18, subdivision 6, clause (b) or (c),

the tenant must give written notice to the owner specifying the violation. The notice must be delivered personally or sent to the person or place where rent is normally paid. If the violation is not corrected within 14 days, the tenant may deposit the amount of rent due to the owner with the court administrator along with an affidavit specifying the violation. The court must provide a simplified form affidavit for use under this clause.

(c) The tenant need not deposit rent if none is due to the owner at the time the tenant otherwise files the notice required by this subdivision. All rent which thereafter becomes due to the owner prior to the hearing under this section must be deposited with the court administrator. As long as proceedings are pending under this section, the tenant must pay rent to the owner or as directed by the court and may not withhold rent to remedy a violation.

Sec. 14. [609.606] [UNLAWFUL OUSTER OR EXCLUSION.]

A landlord, agent of the landlord, or person acting under the landlord's direction or control who unlawfully and intentionally removes or excludes a tenant from lands or tenements or intentionally interrupts or causes the interruption of electrical, heat, gas, or water services to the tenant with intent to unlawfully remove or exclude the tenant from lands or tenements is guilty of a misdemeanor.

Sec. 15. [FEE STUDY.]

The state court administrator shall study and report to the legislature by February 1, 1993, on the fiscal and caseflow impact of court fee and fee refund alternatives designed to facilitate the retention of affordable housing by low-income clients while protecting the rights of landlords. In conducting this study, the state court administrator shall consult with representatives of courts, landlords, and tenants who might be affected by any proposed change in collection or fee refunds.

ARTICLE 3

STATE HOUSING PROGRAMS

Section 1. Minnesota Statutes 1990, section 116C.04, is amended by adding a subdivision to read:

Subd. 11. The environmental quality board shall coordinate the implementation of an interagency compliance with existing state and federal lead regulations and report to the legislature by January 31, 1992, on the changes in programming needed to comply.

Sec. 2. [116K.15] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of sections 2 to 8, the following terms have the meanings given them.

Subd. 2. [ADVISORY COMMITTEE.] “Advisory committee” means the committee established in section 4.

Subd. 3. [COMMISSIONER.] “Commissioner” means the commissioner of the state planning agency.

Subd. 4. [ELIGIBLE ORGANIZATION.] “Eligible organization” means a nonprofit organization run by or for the homeless that has representation by homeless or formerly homeless persons on its governing board and can demonstrate an ability to design a program to provide homeownership opportunities for homeless persons with education and training services for homeless adults.

Subd. 5. [HOMELESS INDIVIDUAL; HOMELESS PERSON.] “Homeless individual” or “homeless person” is defined in the Stewart B. McKinney Homeless Assistance Act of 1987, and means:

- (1) residents of overnight shelters;
- (2) residents of battered women shelters and safe homes;
- (3) persons who are inappropriately doubled up;
- (4) migrant or seasonal farm workers;
- (5) persons residing in transitional housing;
- (6) persons residing in detoxification centers who do not have permanent addresses; and
- (7) persons residing outside, in cars, or in abandoned buildings.

The term homeless individual does not include any individual imprisoned or otherwise detained under federal or state law.

Subd. 6. [VERY LOW INCOME.] “Very low income” means incomes that are at or less than 50 percent of the median income for the seven-county metropolitan area.

Sec. 3. [116K.16] [PLANNING AND DEMONSTRATION GRANTS.]

The commissioner shall make planning and demonstration grants to eligible organizations for programs to provide homeownership

opportunities, education and training, or services to homeless adults. The programs are to include a work experience component with work projects that result in the rehabilitation or construction of residential units for the homeless. To the extent possible, the program should coordinate the use of resources from existing housing and homeless programs. Two or more eligible organizations may jointly apply for a grant. The commissioner shall administer the grant program.

Interested eligible organizations must apply to the commissioner for the grants. The advisory committee must review the applications and provide to the commissioner a list of recommended eligible organizations that the advisory committee determines meet the requirements for receiving a grant.

Sec. 4. [116K.17] [ADVISORY COMMITTEE.]

The commissioner may establish an 11-member advisory committee under section 15.059 to assist the commissioner in selecting eligible organizations to receive planning grants, evaluating the final reports of each organization, and providing recommendations to the legislature. Members of the committee may be reimbursed for expenses but may not receive any other compensation for service on the committee. The advisory committee consists of representatives of the commissioners of human services and jobs and training; a representative of the chancellor of vocational education; a representative of the commissioner of the housing finance agency; and seven public members appointed by the governor. Each of the following groups must be represented by a public member: labor organizations, local housing developers, representatives from homeless organizations, and homeless or formerly homeless persons. At least three of the public members must be from outside of the seven-county metropolitan area as defined in section 473.121, subdivision 2. The commissioner may provide staff to the advisory committee to assist it in carrying out its purpose.

Sec. 5. [116K.18] [PROGRAM; PURPOSE AND DESIGN.]

Subdivision 1. [PROGRAM PURPOSE.] The grants awarded under section 3 are for the design of a program to coordinate existing housing resources and programs to provide homeownership opportunities for homeless adults and families, promote individual stability and responsibility of homeless adults through training for jobs that pay a living wage, job placement, life skills development, and access to community support services including, but not limited to, health services, counseling, and drug rehabilitation. Each program must include a work experience and training component, job skills component, and life skills component.

Subd. 2. [WORK EXPERIENCE AND TRAINING COMPONENT.] A work experience and training component must provide

vocational skill training in an industry where there are potential opportunities for jobs that pay a living wage. A monetary compensation may be provided to program participants. The compensation must be provided to participants who are recipients of public assistance in a manner or amount which will not reduce public assistance benefits. The work experience component must be designed so that work projects result in the expansion of residential units for homeless persons and very low-income individuals and families. Work must be done under the direct supervision of certified or licensed individuals skilled in each specific trade or vocation. Craft work must be done under the supervision of persons who have completed a state approved registered apprenticeship in the craft work being supervised. The program design must identify areas of need for trained workers to perform tasks such as lead abatement, and work with appropriate agencies and certified or licensed workers to develop training methods. The program design must include an examination of how program participants may achieve certification as a part of the work experience and training component by entering licensing, apprenticeship, or other educational programs.

Subd. 3. [JOB READINESS SKILLS COMPONENT.] A job readiness skills component must be included in each program design. The component must provide program participants with job search skills, placement assistance, and other job readiness skills to ensure that participants will be able to compete in the employment market.

Subd. 4. [LIFE SKILLS COMPONENT.] A life skills component must be included in each program design. The component must include mentoring to develop homeownership skills, and offer or coordinate participation in parenting and citizenship classes and leadership development to encourage community involvement and responsibility.

Sec. 6. [116K.19] [HOUSING FOR HOMELESS.]

Subdivision 1. [REQUIREMENT.] The work experience component in section 5 must include work projects that provide residential units through construction or rehabilitation for the homeless and families of very low income.

Subd. 2. [PRIORITY FOR HOUSING.] Any residential units that become available through the employment and training program must be allocated in the following order:

- (1) homeless families with at least one dependent;
- (2) homeless persons who have worked on the rehabilitation;
- (3) other homeless individuals;

(4) other very low-income families and individuals; and

(5) families or individuals that receive public assistance and that do not qualify in any other priority group.

Subd. 3. [ACQUISITION OF HOUSING UNITS.] The program design must include an examination of the means of acquiring property or buildings for the construction or rehabilitation of residential units at the lowest possible cost. The examination must include the review of possible sources of property and funding through federal, state, or local agencies, including the federal Department of Housing and Urban Development and Farmers Home Administration, the housing finance agency, and the local housing authority.

Subd. 4. [MANAGEMENT OF RESIDENTIAL UNITS.] The program design must address how to manage these residential units, including the source of financing for the maintenance costs of the buildings. Any management plan must include the participation of the residents and local established neighborhood groups.

Sec. 7. [REQUIREMENTS OF ORGANIZATIONS RECEIVING GRANTS.] An organization that is awarded a planning grant under section 3 shall prepare and submit a report to the commissioner by January 15, 1992. The report must address each of the following:

(1) the method for encouraging the participation of the targeted youth in the geographic area surrounding the organization receiving the grant;

(2) the type and degree of work experience that program participants must participate in, including real work experience in both vocational and nonvocational settings;

(3) the amount of monetary compensation that each participant should receive while participating in the work experience component. The monetary compensation must reflect the prevailing rate of wages unless a participant's receipt of public assistance is affected. Any contracted or subcontracted work must be subject to the prevailing wage rate under section 177.42. Prevailing wage for the construction crafts is the amount registered with the Minnesota department of labor. Nonconstruction jobs will be paid at the local market standard for each job type. Compensation should be structured to include incentives for progress toward increasing job skills and continued training;

(4) the identification and means of providing the necessary job readiness skills so that program participants who have completed the work experience and educational components of the program may have the ability to compete in the employment market;

(5) the methods that may be used to assist in placing program participants in suitable employment;

(6) a plan for evaluating the program, including the necessary data elements that must be collected from program participants;

(7) the identification of existing public and private programs that may be coordinated by the program to avoid duplication of services;

(8) the identification of regional characteristics that may affect the operation of the program in the specified region where the organization is located;

(9) cost estimates for each of the components of the program; and

(10) the identification of funding sources other than state appropriations that may be used to support the program.

Sec. 8. [REPORT.]

The commissioner shall prepare and submit a report to the legislature and the governor by February 15, 1992, that outlines the various program designs submitted by the organizations that received planning grants. The report must also include recommendations on which components of the program design are most suitable to meeting the needs of homeless adults for homeownership opportunities. The advisory committee must participate in the preparation of this report and in the formulation of the recommendations.

Sec. 9. Minnesota Statutes 1990, section 144.871, subdivision 2, is amended to read:

Subd. 2. [ABATEMENT.] "Abatement" means removal or encapsulation of paint, bare soil, dust, drinking water, or other materials that are ~~sources~~ readily accessible and pose an immediate threat of actual lead exposure to people. The abatement rules to be adopted under section 144.878, subdivision 2, shall apply as described in section 144.874.

Sec. 10. Minnesota Statutes 1990, section 144.871, subdivision 7, is amended to read:

Subd. 7. [ENCAPSULATION.] "Encapsulation" means covering, sealing, painting, resurfacing to make smooth before repainting, or containment of a source of lead exposure to people.

Sec. 11. [144.8721] [LEAD-RELATED CONTRACTS FOR FISCAL YEARS 1992 AND 1993.]

For fiscal years 1992 and 1993, the commissioner shall conduct, or contract with boards of health to conduct, assessments to determine sources of lead contamination in the residences of children and pregnant women whose blood levels exceed ten micrograms per deciliter. For fiscal years 1992 and 1993, the commissioner shall also provide, or contract with boards of health to provide, education on ways of reducing the danger of lead contamination.

Sec. 12. Minnesota Statutes 1990, section 144.873, subdivision 1, is amended to read:

Subdivision 1. [REPORT REQUIRED.] Medical laboratories performing blood lead analyses must report to the commissioner confirmed blood lead results of at least five micrograms per deciliter. Boards of health must report to the commissioner the results of analyses from residential samples of paint, bare soil, dust, and drinking water that show lead in concentrations greater than or equal to the lead standards adopted by permanent rule under section 144.878, ~~subdivision 2, paragraphs (a) and (c).~~ The commissioner shall require other related information from medical laboratories and boards of health as may be needed to monitor and evaluate blood lead levels in the public, including the date of the test and the address of the patient.

Sec. 13. Minnesota Statutes 1990, section 144.874, subdivision 1, is amended to read:

Subdivision 1. [RESIDENCE ASSESSMENT.] (a) A board of health must conduct a timely assessment of a residence to determine sources of lead exposure if:

(1) a pregnant woman in the residence is identified as having a blood lead level of at least ten micrograms of lead per deciliter of whole blood; or

(2) a child in the residence is identified as having an elevated blood lead level. If a child regularly spends several hours per day at another residence, such as a residential child care facility, the board of health must also assess the other residence.

(b) The board of health must conduct the residential assessment according to rules adopted by the commissioner according to section 144.878, ~~subdivision 1.~~

Sec. 14. Minnesota Statutes 1990, section 144.874, subdivision 2, is amended to read:

Subd. 2. [RESIDENTIAL LEAD ASSESSMENT GUIDE.] (a) The commissioner of health shall develop or purchase a residential lead

assessment guide that enables parents to assess the possible lead sources present and that suggests actions.

(b) A board of health must provide the residential lead assessment guide to:

(1) parents of children who are identified as having blood lead levels of at least ten micrograms per deciliter; and

(2) property owners and occupants who are issued housing code orders requiring disruption of lead sources.

(c) A board of health must provide the residential lead assessment guide on request to owners or tenants of residential property within the jurisdiction of the board of health.

Sec. 15. Minnesota Statutes 1990, section 144.874, subdivision 3, is amended to read:

Subd. 3. [ABATEMENT ORDERS.] A board of health must order a property owner to perform abatement on a lead source that exceeds a standard adopted according to section 144.878, ~~subdivision 2, paragraph (a)~~, at the residence of a child with an elevated blood lead level or a pregnant woman with a blood lead level of at least ten micrograms per deciliter. Abatement orders must require that any source of damage, such as leaking roofs, plumbing, and windows, must be repaired or replaced, as needed, to prevent damage to lead-containing interior surfaces. With each abatement order, the board of health must provide a residential lead abatement guide. The guide must be developed or purchased by the commissioner and must provide information on safe abatement and disposal methods, sources of equipment, and telephone numbers for additional information to enable the property owner to either perform the abatement or to intelligently select an abatement contractor.

Sec. 16. Minnesota Statutes 1990, section 144.874, is amended by adding a subdivision to read:

Subd. 8. [AUTHORITY OF COMMISSIONER.] The commissioner may carry out the duties assigned to boards of health in subdivisions 1 to 6 of this section.

Sec. 17. Minnesota Statutes 1990, section 144.874, is amended by adding a subdivision to read:

Subd. 9. [PRIMARY PREVENTION.] Although children who are found to already have elevated blood lead levels must have the highest priority for intervention, the commissioner shall pursue primary prevention of lead poisoning within the limits of appropriations.

Sec. 18. Minnesota Statutes 1990, section 144.874, is amended by adding a subdivision to read:

Subd. 10. [REGISTERED CONTRACTORS.] State subsidized lead abatement shall be conducted by registered lead abatement contractors.

Sec. 19. Minnesota Statutes 1990, section 144.874, is amended by adding a subdivision to read:

Subd. 11. [VOLUNTARY ABATEMENT.] The commissioner shall enforce the rules under section 144.878 in cases of voluntary lead abatement.

Sec. 20. [268.44] [EMERGENCY MORTGAGE AND RENTAL ASSISTANCE PILOT PROJECT.]

Subdivision 1. [ADMINISTRATION.] The commissioner of jobs and training shall administer an emergency mortgage and rental assistance pilot project for individuals who are in danger of losing their housing as a result of having insufficient income to allow payment of their rental or mortgage costs. "Eligible project participants" are individuals ineligible for emergency assistance or general assistance for housing whose income does not exceed 80 percent of the area median income at the time of application to the project. No individual or family may receive more than six months of rental or mortgage assistance or \$2,000, whichever is less. The commissioner of jobs and training may establish eligibility priorities for emergency rental or mortgage assistance among the categories of persons needing assistance, including persons subject to eviction for nonpayment of rent or foreclosure for nonpayment of mortgage installments or property taxes, when nonpayment is attributable to illness, unanticipated unemployment, underemployment, or any other failure of resources beyond the person's control.

Subd. 2. [LOCAL RESPONSIBILITIES.] The commissioner of jobs and training must disburse funds to local agencies responsible for the distribution of emergency assistance. The local agencies may distribute funds to landlords and mortgage holders of eligible project participants and may determine the amount of assistance on a case-by-case basis. Local agencies must provide program participants with case management services, referral services relating to housing, and other resources and programs that may be available to them.

Subd. 3. [MORTGAGE ASSISTANCE.] Eligible homeowners at risk of losing their housing as a result of a short-term disruption or decrease in income may receive monthly mortgage or mortgage arrears assistance interest-free loans. To qualify for assistance, a homeowner must be at least two months delinquent on home mortgage payments. The local distributing agency must determine

repayment schedules on a case-by-case basis. If the homeowner sells the house within five years of receiving assistance, net proceeds from the sale must be applied to the mortgage assistance loan. The commissioner of jobs and training must inform mortgagees of the mortgage assistance project.

Subd. 4. [RENTAL ASSISTANCE.] Eligible applicants who are in danger of losing their housing may receive monthly rental or rental arrears assistance payments. Monthly rental assistance payments may not exceed the fair market value of the rental housing unit. Persons may be required to repay the rental assistance based on their financial ability to pay, as determined by the local distributing agency.

Subd. 5. [SECURITY DEPOSIT ASSISTANCE.] Project money may be used for security deposits on rental housing. Persons may be required to repay security deposit assistance based on their financial ability to pay, as determined by the local distributing agency.

Sec. 21. Minnesota Statutes 1990, section 462A.05, is amended by adding a subdivision to read:

Subd. 15c. [RESIDENTIAL LEAD ABATEMENT.] It may make or purchase loans or grants for the abatement of hazardous levels of lead paint in residential buildings and lead contaminated soil on the property of residential buildings occupied by low- and moderate-income persons. Hazardous levels are as determined by the department of health or the pollution control agency. The agency must establish grant criteria for a residential lead paint and lead contaminated soil abatement program, including the terms of loans and grants under this section, a maximum amount for loans or grants, eligible owners, eligible contractors, and eligible buildings. The agency may make grants to cities, local units of government, registered lead abatement contractors, and nonprofit organizations for the purpose of administering a residential lead paint and contaminated lead soil abatement program. No loan or grant may be made for lead paint abatement for a multifamily building which contains substantial housing maintenance code violations unless the violations are being corrected in conjunction with receipt of the loan or grant under this section. The agency must establish standards for the relocation of families where necessary and the payment of relocation expenses. To the extent possible, the agency must coordinate loans and grants under this section with existing housing programs.

The agency, in consultation with the department of health, shall report to the legislature by January 1993 on the costs and benefits of subsidized lead abatement and the extent of the childhood lead exposure problem. The agency shall review the effectiveness of its existing loan and grant programs in providing funds for residential

lead abatement and report to the legislature with examples, case studies and recommendations.

Sec. 22. Minnesota Statutes 1990, section 462A.21, is amended by adding a subdivision to read:

Subd. 16. [RESIDENTIAL LEAD PAINT AND LEAD CONTAMINATED SOIL ABATEMENT.] It may make loans or grants for the purpose of the abatement of hazardous levels of lead paint in residential buildings and lead contaminated soil under section 462A.05, subdivision 15c, and may pay the costs and expenses necessary and incidental to the development and operation of the program.

Sec. 23. Minnesota Statutes 1990, section 504.33, subdivision 3, is amended to read:

Subd. 3. [DISPLACE.] "Displace" means to demolish, acquire for or convert to a use other than low-income housing, or to provide or spend money that directly results in the demolition, acquisition, or conversion of housing to a use other than low-income housing.

"Displace" does not include providing or spending money that directly results in: (i) housing improvements made to comply with health, housing, building, fire prevention, housing maintenance, or energy codes or standards of the applicable government unit; (ii) housing improvements to make housing more accessible to a handicapped person; ~~or~~ (iii) the demolition, acquisition, or conversion of housing for the purpose of creating owner-occupied housing that consists of no more than four units per structure; or (iv) demolition, acquisition, or conversion of owner-occupied housing by cities of the first class as defined in section 410.01.

Sec. 24. Minnesota Statutes 1990, section 504.33, subdivision 5, is amended to read:

Subd. 5. [LOW-INCOME HOUSING.] "Low-income housing" means rental housing with a rent less than or equal to ~~30 percent of 50 percent of the median income for the county~~ the fair market rent level as defined by the Department of Housing and Urban Development in which the rental housing is located, adjusted by size; or owner-occupied housing with an estimated market value less than one-half of the median estimated market value for owner-occupied housing for the county or metropolitan statistical area in which the owner-occupied housing is located. "Low-income housing" also includes rental housing buildings as defined by section 566.18, subdivision 7, that has have been vacant for less than two years, that contain rental or owner-occupied housing that was low-income housing when it was last occupied, and that is have not been condemned as being unfit for human habitation by the applicable government unit.

Sec. 25. Minnesota Statutes 1990, section 504.33, subdivision 7, is amended to read:

Subd. 7. [REPLACEMENT HOUSING.] "Replacement housing" means ~~rental~~ housing that is:

(1) ~~the lesser of (i) the is sufficient in number and corresponding size of to house no fewer than the number of occupants who could have been housed in the displaced low-income housing units displaced, or (ii) sufficient in number and corresponding size of these low-income housing units displaced to meet the demand for those units;~~

(2) is low-income housing for the greater of 15 years or the compliance period of the federal low-income housing tax credit under United States Code, title 26, section 42(i)(1), as amended. This section does not prohibit increases in rent to cover operating expenses;

(3) in the case of owner-occupied housing, affordable to persons whose income is less than or equal to 80 percent of the median income for the metropolitan statistical area in which the replacement owner-occupied housing is located;

(4) is in at least standard condition; and

~~(4)~~ (5) is located in the neighborhood of the city where the displaced low-income housing units were located to the extent possible, except where the land is zoned industrial or there is insufficient vacant or underutilized land for development or no vacant buildings as defined by section 566.18, subdivision 7, for redevelopment in the neighborhood;

(6) has a preference for persons who occupied low-income housing that was displaced, who have resided in the neighborhood of the city where the displaced low-income housing was located, or who qualify for a preference under United States Code, title 42, section 1437(c)(4)(A); and

(7) in a city of the first class outside the metropolitan area as defined by section 473.121, subdivision 2, replacement housing can be used to achieve economic integration as described in the city plan.

Replacement housing may be provided as newly constructed housing, or rehabilitated or rent subsidized existing housing that does not already qualify as low-income housing. Low-income housing designated as replacement housing for low-income housing displaced in one year cannot be designated as replacement housing for low-income housing displaced in another year.

Sec. 26. Minnesota Statutes 1990, section 504.34, subdivision 3, is amended to read:

Subd. 3. [CONTENTS.] The draft and final annual housing impact reports must include:

(1) identification of each low-income housing unit that was displaced in the previous year in the city where housing was displaced by the government unit, including the unit's address, size, and rent; the number of persons who could have occupied the unit; the condition the unit was in, and whether it was habitable at the time of displacement; the owner of the unit; whether it was owner occupied; and how and when it was displaced;

(2) identification of the cities and neighborhoods where occupants of displaced low-income housing moved immediately following displacement;

(3) identification of each unit of replacement housing provided in the previous year in the city, including the unit's address, size, and rent; the number of persons who could occupy the unit; the owner of the unit; whether it is owner occupied; and an identification of the displaced low-income housing unit that was replaced by the unit of replacement housing;

~~(3)~~ (4) identification of the cities and neighborhoods where occupants of replacement housing resided immediately before moving into replacement housing;

(5) analysis of the supply of and demand for all sizes of low-income housing units, by size and rent, in the city;

(4) (6) determination of whether there is an adequate supply of available and unoccupied low-income housing units to meet the demand for all sizes of low-income housing, by size and rent, in the city where housing has been displaced by the government unit;

(5) (7) estimation of the cost of providing replacement housing for low-income housing not in adequate supply to meet the demand for all sizes of low-income housing, by size and rent, in the city where housing has been displaced by the government unit; and

(6) (8) analysis of the government unit's compliance with the replacement plans of previous housing annual impact reports and project housing impact statements.

Sec. 27. Minnesota Statutes 1990, 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, a summary of the findings of the report, and the list of persons and organizations receiving the notice and draft report must be sent to the 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. 28. Minnesota Statutes 1990, 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 final annual housing impact report must include all written comments and a summary of oral comments on the draft housing impact report and a response to the comments. 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 and a summary of the findings of the final annual housing impact report 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.

ARTICLE 4

YOUTH EMPLOYMENT

Section 1. Minnesota Statutes 1990, section 268.362, is amended to read:

268.362 [GRANTS.]

Subdivision 1. [GENERALLY.] The commissioner shall make grants to eligible organizations for programs to provide education and training services to targeted youth. The purpose of these programs is to provide specialized training and work experience to at-risk targeted youth who have not been served effectively by the current educational system. The programs are to include a work experience component with work projects that result in the rehabilitation or construction of residential units for the homeless. Two or more eligible organizations may jointly apply for a grant. The commissioner shall administer the grant program.

Subd. 2. [GRANT APPLICATIONS; AWARDS.] Interested eligible organizations must apply to the commissioner for the grants. The advisory committee must review the applications and provide to the commissioner a list of recommended eligible organizations that the advisory committee determines meet the requirements for receiving a grant. The total grant award for any program may not exceed \$50,000 per year. In awarding grants, the commissioner must give priority to (1) organizations that are operating or have operated successfully a program; and (2) to distributing programs throughout the state. To receive a grant under this section, the eligible organization must match the grant money with at least an equal amount of nonstate money. The commissioner must verify that the eligible organization has matched the grant money.

Sec. 2. Minnesota Statutes 1990, section 268.364, subdivision 4, is amended to read:

Subd. 4. [JOB READINESS SKILLS COMPONENT.] A job readiness skills component ~~must be included in~~ comprise at least 20 percent of each program. The component must provide program participants with job search skills, placement assistance, and other job readiness skills to ensure that participants will have an understanding of the building trades, unions, self-employment, and other employment opportunities and be able to compete in the employment market.

Sec. 3. Minnesota Statutes 1990, section 268.365, subdivision 2, is amended to read:

Subd. 2. [PRIORITY FOR HOUSING.] Any residential units that become available through the program must be allocated in the following order:

(1) homeless individuals who have participated in constructing, rehabilitating, or improving the unit;

(2) homeless families with at least one dependent;

~~(2)~~ (3) other homeless individuals;

~~(3)~~ (4) other very low income families and individuals; and

(4) (5) families or individuals that receive public assistance and that do not qualify in any other priority group.

ARTICLE 5

ASSIGNMENT OF RENTS AND RECEIVERSHIP

Section 1. Minnesota Statutes 1990, section 504.20, subdivision 4, is amended to read:

Subd. 4. Any landlord who fails to provide a written statement within three weeks of termination of the tenancy and receipt of the tenant's mailing address or delivery instructions, as required in subdivision 3, shall be or fails to transfer or return a deposit as required under subdivision 5, is liable to the tenant or the successor in interest for damages in an amount equal to the portion of the deposit withheld by the landlord and interest thereon as provided in subdivision 2, as a penalty, in addition to the portion of the deposit wrongfully withheld by the landlord and interest thereon.

Sec. 2. Minnesota Statutes 1990, section 504.20, subdivision 5, is amended to read:

Subd. 5. Upon termination of the landlord's interest in the premises, whether by sale, assignment, death, appointment of receiver or otherwise, the landlord or the landlord's agent shall, within a reasonable time 60 days of termination of the interest or when the successor in interest is required to return or otherwise account for the deposit to the tenant, whichever occurs first, do one of the following acts, either of which shall relieve the landlord or agent of further liability with respect to such deposit:

(a) Transfer such deposit, or any remainder after any lawful deductions made under subdivision 3, with interest thereon as provided in subdivision 2, to the landlord's successor in interest and thereafter notify the tenant of such transfer and of the transferee's name and address; or

(b) Return such deposit, or any remainder after any lawful deductions made under subdivision 3, with interest thereon as provided in subdivision 2, to the tenant.

Sec. 3. Minnesota Statutes 1990, section 504.20, subdivision 7, is amended to read:

Subd. 7. The bad faith retention by a landlord of ~~the~~ a deposit, the

interest thereon, or any portion thereof, in violation of this section shall subject the landlord to punitive damages not to exceed \$200 for each deposit in addition to the damages provided in subdivision 4. If the landlord has failed to comply with the provisions of subdivision 3 or 5, retention of the a deposit shall be presumed to be in bad faith unless the landlord returns the deposit within two weeks after the commencement of any action for the recovery of the deposit.

Sec. 4. Minnesota Statutes 1990, section 559.17, subdivision 2, is amended to read:

Subd. 2. A mortgagor may assign, as additional security for the debt secured by the mortgage, the rents and profits from the mortgaged real property, if the mortgage:

(1) Was executed, modified or amended subsequent to August 1, 1977;

(2) Secured an original principal amount of ~~\$500,000~~ \$100,000 or more or is a lien upon residential real estate containing more than four dwelling units; and

(3) Is not a lien upon property which was entirely homesteaded as, residential real estate containing four or less dwelling units where at least one of the units is homesteaded, or agricultural property. The assignment may be enforced as follows:

(a) If, by the terms of an assignment, a receiver is to be appointed upon the occurrence of some specified event, and a showing is made that the event has occurred, the court shall, without regard to waste, adequacy of the security, or solvency of the mortgagor, appoint a receiver who shall, with respect to the excess cash remaining after application as provided in section 576.01, subdivision 2, apply it as prescribed by the assignment. If the assignment so provides, the receiver shall apply the excess cash in the manner set out herein from the date of appointment through the entire redemption period from any foreclosure sale. Subject to the terms of the assignment, the receiver shall have the powers and duties as set forth in section 576.01, subdivision 2; or

(b) If no provision is made for the appointment of a receiver in the assignment or if by the terms of the assignment a receiver may be appointed, the assignment shall be binding upon the assignor unless or until a receiver is appointed without regard to waste, adequacy of the security or solvency of the mortgagor, but only in the event of default in the terms and conditions of the mortgage, and only in the event the assignment requires the holder thereof to first apply the rents and profits received as provided in section 576.01, subdivision 2, in which case the same shall operate against and be binding upon the occupiers of the premises from the date of filing by the holder of the assignment in the office of the county recorder or the office of the

registrar of titles for the county in which the property is located of a notice of default in the terms and conditions of the mortgage and service of a copy of the notice upon the occupiers of the premises. The holder of the assignment shall apply the rents and profits received in accordance with the terms of the assignment, and, if the assignment so provides, for the entire redemption period from any foreclosure sale. A holder of an assignment who enforces it in accordance with this clause shall not be deemed to be a mortgagee in possession with attendant liability.

Nothing contained herein shall prohibit the right to reinstate the mortgage debt granted pursuant to section 580.30, nor the right to redeem granted pursuant to sections 580.23 and 581.10, and any excess cash, as that term is used herein, collected by the receiver under clause (a), or any rents and profits taken by the holder of the assignment under clause (b), shall be credited to the amount required to be paid to effect a reinstatement or redemption.

Sec. 5. Minnesota Statutes 1990, section 576.01, subdivision 2, is amended to read:

Subd. 2. A receiver shall be appointed in the following case:

After the first publication of notice of sale for the foreclosure of a mortgage pursuant to chapter 580, or with the commencement of an action to foreclose a mortgage pursuant to chapter 581, and during the period of redemption, if the mortgage being foreclosed secured an original principal amount of ~~\$500,000~~ \$100,000 or more or is a lien upon residential real estate containing more than four dwelling units and was not a lien upon property which was entirely homesteaded, residential real estate containing four or less dwelling units where at least one unit is homesteaded, or agricultural property, the foreclosing mortgagee or the purchaser at foreclosure sale may at any time bring an action in the district court of the county in which the mortgaged premises or any part thereof is located for the appointment of a receiver; provided, however, if the foreclosure is by action under chapter 581, a separate action need not be filed. Pending trial of the action on the merits, the court may make a temporary appointment of a receiver following the procedures applicable to temporary injunctions under the rules of civil procedure. If the motion for temporary appointment of a receiver is denied, the trial of the action on the merits shall be held as early as practicable, but not to exceed 30 days after the motion for temporary appointment of a receiver is heard. The court shall appoint a receiver upon a showing that the mortgagor has breached a covenant contained in the mortgage relating to any of the following:

(1) Application of tenant security deposits as required by section 504.20;

(2) Payment when due of prior or current real estate taxes or

special assessments with respect to the mortgaged premises, or the periodic escrow for the payment of the taxes or special assessments;

(3) Payment when due of premiums for insurance of the type required by the mortgage, or the periodic escrow for the payment of the premiums;

(4) Keeping of the covenants required of a lessor or licensor pursuant to section 504.18, subdivision 1.

The receiver shall be an experienced property manager. The court shall determine the amount of the bond to be posted by the receiver.

The receiver shall collect the rents, profits and all other income of any kind, manage the mortgaged premises so to prevent waste, execute leases within or beyond the period of the receivership if approved by the court, pay the expenses listed in clauses (1), (2), and (3) in the priority as numbered, pay all expenses for normal maintenance of the mortgaged premises and perform the terms of any assignment of rents which complies with section 559.17, subdivision 2. Reasonable fees to the receiver shall be paid prior thereto. The receiver shall file periodic accountings as the court determines are necessary and a final accounting at the time of discharge.

The purchaser at foreclosure sale shall have the right, at any time and without limitation as provided in section 582.03, to advance money to the receiver to pay any or all of the expenses which the receiver should otherwise pay if cash were available from the mortgaged premises. Sums so advanced, with interest, shall be a part of the sum required to be paid to redeem from the sale. The sums shall be proved by the affidavit of the purchaser, an agent or attorney, stating the expenses and describing the mortgaged premises. The affidavit must be filed for record with the county recorder or the registrar of titles, and a copy thereof shall be furnished to the sheriff and the receiver at least ten days before the expiration of the period of redemption.

Any sums collected which remain in the possession of the receiver at termination of the receivership shall, in the event the termination of the receivership is due to the reinstatement of the mortgage debt or redemption of the mortgaged premises by the mortgagor, be paid to the mortgagor; and in the event termination of the receivership occurs at the end of the period of redemption without redemption by the mortgagor or any other party entitled to redeem, interest accrued upon the sale price pursuant to section 580.23 or section 581.10 shall be paid to the purchaser at foreclosure sale. Any net sum remaining shall be paid to the mortgagor, except if the receiver was enforcing an assignment of rents which complies with section 559.17, subdivision 2, in which case any net sum remaining shall be paid pursuant to the terms of the assignment.

This subdivision shall apply to all mortgages executed on or after August 1, 1977, and to amendments or modifications of such mortgages, and to amendments or modifications made on or after August 1, 1977, to mortgages executed before August 1, 1977, if the amendment or modification is duly recorded and is for the principal purpose of curing a default.

ARTICLE 6

HOUSING AND REDEVELOPMENT AUTHORITIES

Section 1. Minnesota Statutes 1990, section 469.011, subdivision 4, is amended to read:

Subd. 4. [EXPENSES; COMPENSATION.] Each commissioner may receive necessary expenses, including traveling expenses, incurred in the performance of duties. Each commissioner may be paid \$35 up to \$55 for attending each regular and special meeting of the authority. The aggregate of all payments to each commissioner for any one year shall not exceed \$2,500. Commissioners who, as a result of time spent attending board meetings, incur child care expenses that would not otherwise have been incurred, may be reimbursed for those expenses upon board authorization. Commissioners who are elected officials or full-time state employees or full-time employees of the political subdivisions of the state may not receive the daily payment, but they may suffer no loss in compensation or benefits from the state or a political subdivision as a result of their service on the board. Commissioners who are full-time state employees or full-time employees of the political subdivisions of the state may receive the expenses provided for in this subdivision unless the expenses are reimbursed by another source. Commissioners who are state employees or employees of political subdivisions of the state may be reimbursed for child care expenses only for time spent on board activities that are outside their normal working hours.

Sec. 2. Minnesota Statutes 1990, section 469.012, subdivision 1, is amended to read:

Subdivision 1. [SCHEDULE OF POWERS.] An authority shall be a public body corporate and politic and shall have all the powers necessary or convenient to carry out the purposes of sections 469.001 to 469.047, except that the power to levy and collect taxes or special assessments is limited to the power provided in sections 469.027 to 469.033. Its powers include the following powers in addition to others granted in sections 469.001 to 469.047:

(1) to sue and be sued; to have a seal, which shall be judicially noticed, and to alter it; to have perpetual succession; and to make, amend, and repeal rules consistent with sections 469.001 to 469.047;

(2) to employ an executive director, technical experts, and officers, agents, and employees, permanent and temporary, that it requires, and determine their qualifications, duties, and compensation; for legal services it requires, to call upon the chief law officer of the city or to employ its own counsel and legal staff; so far as practicable, to use the services of local public bodies in its area of operation, provided that those local public bodies, if requested, shall make the services available;

(3) to delegate to one or more of its agents or employees the powers or duties it deems proper;

(4) within its area of operation, to undertake, prepare, carry out, and operate projects and to provide for the construction, reconstruction, improvement, extension, alteration, or repair of any project or part thereof;

(5) subject to the provisions of section 469.026, to give, sell, transfer, convey, or otherwise dispose of real or personal property or any interest therein and to execute leases, deeds, conveyances, negotiable instruments, purchase agreements, and other contracts or instruments, and take action that is necessary or convenient to carry out the purposes of these sections;

(6) within its area of operation, to acquire real or personal property or any interest therein by gifts, grant, purchase, exchange, lease, transfer, bequest, devise, or otherwise, and by the exercise of the power of eminent domain, in the manner provided by chapter 117, to acquire real property which it may deem necessary for its purposes, after the adoption by it of a resolution declaring that the acquisition of the real property is necessary to eliminate one or more of the conditions found to exist in the resolution adopted pursuant to section 469.003 or to provide decent, safe, and sanitary housing for persons of low and moderate income, or is necessary to carry out a redevelopment project. Real property needed or convenient for a project may be acquired by the authority for the project by condemnation pursuant to this section. This includes any property devoted to a public use, whether or not held in trust, notwithstanding that the property may have been previously acquired by condemnation or is owned by a public utility corporation, because the public use in conformity with the provisions of sections 469.001 to 469.047 shall be deemed a superior public use. Property devoted to a public use may be so acquired only if the governing body of the municipality has approved its acquisition by the authority. An award of compensation shall not be increased by reason of any increase in the value of the real property caused by the assembly, clearance or reconstruction, or proposed assembly, clearance or reconstruction for the purposes of sections 469.001 to 469.047 of the real property in an area;

(7) within its area of operation, and without the adoption of an

urban renewal plan, to acquire, by all means as set forth in clause (6) but without the adoption of a resolution provided for in clause (6), real property, and to demolish, remove, rehabilitate, or reconstruct the buildings and improvements or construct new buildings and improvements thereon, or to so provide through other means as set forth in Laws 1974, chapter 228, or to grade, fill, and construct foundations or otherwise prepare the site for improvements. The authority may dispose of the property pursuant to section 469.029, provided that the provisions of section 469.029 requiring conformance to an urban renewal plan shall not apply. The authority may finance these activities by means of the redevelopment project fund or by means of tax increments or tax increment bonds or by the methods of financing provided for in section 469.033 or by means of contributions from the municipality provided for in section 469.041, clause (9), or by any combination of those means. Real property with buildings or improvements thereon shall only be acquired under this clause when the buildings or improvements are substandard. The exercise of the power of eminent domain under this clause shall be limited to real property which contains, or has contained within the three years immediately preceding the exercise of the power of eminent domain, buildings and improvements which are vacated and substandard. For the purpose of this clause, substandard buildings or improvements mean hazardous buildings as defined in section 463.15, subdivision 3, or buildings or improvements that are dilapidated or obsolescent, faultily designed, lack adequate ventilation, light, or sanitary facilities, or any combination of these or other factors that are detrimental to the safety or health of the community;

(8) within its area of operation, to determine the level of income constituting low or moderate family income. The authority may establish various income levels for various family sizes. In making its determination, the authority may consider income levels that may be established by the Department of Housing and Urban Development or a similar or successor federal agency for the purpose of federal loan guarantees or subsidies for persons of low or moderate income. The authority may use that determination as a basis for the maximum amount of income for admissions to housing development projects or housing projects owned or operated by it;

(9) to provide in federally assisted projects any relocation payments and assistance necessary to comply with the requirements of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and any amendments or supplements thereto;

(10) to make an agreement with the governing body or bodies creating the authority which provides exemption from all real and personal property taxes levied or imposed by the state, city, county, or other political subdivisions, for which the authority shall make payments in lieu of taxes to the state, city, county, or other political

subdivisions as provided in section 469.040. The governing body shall agree on behalf of all the applicable governing bodies affected that local cooperation as required by the federal government shall be provided by the local governing body or bodies in whose jurisdiction the project is to be located, at no cost or at no greater cost than the same public services and facilities furnished to other residents;

(11) to cooperate with or act as agent for the federal government, the state or any state public body, or any agency or instrumentality of the foregoing, in carrying out any of the provisions of sections 469.001 to 469.047 or of any other related federal, state, or local legislation; and upon the consent of the governing body of the city to purchase, lease, manage, or otherwise take over any housing project already owned and operated by the federal government;

(12) to make plans for carrying out a program of voluntary repair and rehabilitation of buildings and improvements, and plans for the enforcement of laws, codes, and regulations relating to the use of land and the use and occupancy of buildings and improvements, and to the compulsory repair, rehabilitation, demolition, or removal of buildings and improvements. The authority may develop, test, and report methods and techniques, and carry out demonstrations and other activities for the prevention and elimination of slums and blight;

(13) to borrow money or other property and accept contributions, grants, gifts, services, or other assistance from the federal government, the state government, state public bodies, or from any other public or private sources;

(14) to include in any contract for financial assistance with the federal government any conditions that the federal government may attach to its financial aid of a project, not inconsistent with purposes of sections 469.001 to 469.047, including obligating itself (which obligation shall be specifically enforceable and not constitute a mortgage, notwithstanding any other laws) to convey to the federal government the project to which the contract relates upon the occurrence of a substantial default with respect to the covenants or conditions to which the authority is subject; to provide in the contract that, in case of such conveyance, the federal government may complete, operate, manage, lease, convey, or otherwise deal with the project until the defaults are cured if the federal government agrees in the contract to reconvey to the authority the project as then constituted when the defaults have been cured;

(15) to issue bonds for any of its corporate purposes and to secure the bonds by mortgages upon property held or to be held by it or by pledge of its revenues, including grants or contributions;

(16) to invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in property or

securities in which savings banks may legally invest funds subject to their control or in the manner and subject to the conditions provided in section 475.66 for the deposit and investment of debt service funds;

(17) within its area of operation, to determine where blight exists or where there is unsafe, unsanitary, or overcrowded housing;

(18) to carry out studies of the housing and redevelopment needs within its area of operation and of the meeting of those needs. This includes study of data on population and family groups and their distribution according to income groups, the amount and quality of available housing and its distribution according to rentals and sales prices, employment, wages, desirable patterns for land use and community growth, and other factors affecting the local housing and redevelopment needs and the meeting of those needs; to make the results of those studies and analyses available to the public and to building, housing, and supply industries;

(19) if a local public body does not have a planning agency or the planning agency has not produced a comprehensive or general community development plan, to make or cause to be made a plan to be used as a guide in the more detailed planning of housing and redevelopment areas;

(20) to lease or rent any dwellings, accommodations, lands, buildings, structures, or facilities included in any project and, subject to the limitations contained in sections 469.001 to 469.047 with respect to the rental of dwellings in housing projects, to establish and revise the rents or charges therefor;

(21) to own, hold, and improve real or personal property and to sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest therein;

(22) to insure or provide for the insurance of any real or personal property or operations of the authority against any risks or hazards;

(23) to procure or agree to the procurement of government insurance or guarantees of the payment of any bonds or parts thereof issued by an authority and to pay premiums on the insurance;

(24) to make expenditures necessary to carry out the purposes of sections 469.001 to 469.047;

(25) to enter into an agreement or agreements with any state public body to provide informational service and relocation assistance to families, individuals, business concerns, and nonprofit organizations displaced or to be displaced by the activities of any state public body;

(26) to compile and maintain a catalog of all vacant, open and undeveloped land, or land which contains standard buildings and improvements as that term is defined in clause (7), that is owned or controlled by the authority or by the governing body within its area of operation and to compile and maintain a catalog of all authority owned real property that is in excess of the foreseeable needs of the authority, in order to determine and recommend if the real property compiled in either catalog is appropriate for disposal pursuant to the provisions of section 469.029, subdivisions 9 and 10;

(27) to recommend to the city concerning the enforcement of the applicable health, housing, building, fire prevention, and housing maintenance code requirements as they relate to residential dwelling structures that are being rehabilitated by low- or moderate-income persons pursuant to section 469.029, subdivision 9, for the period of time necessary to complete the rehabilitation, as determined by the authority;

(28) to recommend to the city the initiation of municipal powers, against certain real properties, relating to repair, closing, condemnation, or demolition of unsafe, unsanitary, hazardous, and unfit buildings, as provided in section 469.041, clause (5);

(29) to sell, at private or public sale, at the price or prices determined by the authority, any note, mortgage, lease, sublease, lease purchase, or other instrument or obligation evidencing or securing a loan made for the purpose of economic development, job creation, redevelopment, or community revitalization by a public agency to a business, for-profit or nonprofit organization, or an individual;

(30) within its area of operation, to acquire and sell real property that is benefited by federal housing assistance payments, other rental subsidies, interest reduction payments, or interest reduction contracts for the purpose of preserving the affordability of low- and moderate-income multifamily housing; and

(31) to apply for, enter into contracts with the federal government, administer, and carry out a section 8 program. Authorization by the governing body creating the authority to administer the program at the authority's initial application is sufficient to authorize operation of the program in its area of operation for which it was created without additional local governing body approval. Approval by the governing body or bodies creating the authority constitutes approval of a housing program for purposes of any special or general law requiring local approval of section 8 programs undertaken by city, county, or multicounty authorities; and

(32) to secure a mortgage or loan by obtaining the appointment of receivers or assignments of rents and profits under sections 559.17 and 576.01, except that the limitation relating to the minimum

amounts of the original principal balances of mortgages specified in sections 559.17, subdivision 2, clause (2); and 576.01, subdivision 2, does not apply.

Sec. 3. Minnesota Statutes 1990, section 469.015, subdivision 3, is amended to read:

Subd. 3. [PERFORMANCE BONDS.] Performance bonds shall be required from contractors for any works of construction as provided in and subject to all the provisions of sections 574.26 to 574.31 except for contracts entered into by an authority for an expenditure of less than ~~\$15,000~~ \$25,000.

Sec. 4. Minnesota Statutes 1990, section 469.015, subdivision 4, is amended to read:

Subd. 4. [EXCEPTIONS.] (a) An authority need not require competitive bidding in the following circumstances:

(1) in the case of a contract for the acquisition of a low-rent housing project:

(i) for which financial assistance is provided by the federal government;

(ii) which does not require any direct loan or grant of money from the municipality as a condition of the federal financial assistance; and

(iii) for which the contract provides for the construction of the project upon land not owned by the authority at the time of the contract, or owned by the authority for redevelopment purposes, and provides for the conveyance or lease to the authority of the project or improvements upon completion of construction;

(2) with respect to a structured parking facility:

(i) constructed in conjunction with, and directly above or below, a development; and

(ii) financed with the proceeds of tax increment or parking ramp revenue bonds; and

(3) in the case of a housing development project if:

(i) the project is financed with the proceeds of bonds issued under section 469.034;

(ii) the project is located on land that is not owned by the authority at the time the contract is entered into, or is owned by the authority

only for development purposes, and provides for conveyance or lease to the authority of the project or improvements upon completion of construction; and

(iii) the authority finds and determines that elimination of the public bidding requirements is necessary in order for the housing development project to be economical and feasible.

(b) An authority need not require a performance bond ~~in the case of~~ for the following projects:

(1) a contract described in paragraph (a), clause (1);

(2) a construction change order for a housing project in which 30 percent of the construction has been completed;

(3) a construction contract for a single-family housing project in which the authority acts as the general construction contractor; or

(4) a services or materials contract for a housing project.

For purposes of this paragraph, "services or materials contract" does not include construction contracts.

Sec. 5. Minnesota Statutes 1990, section 469.015, is amended by adding a subdivision to read:

Subd. 5. [SECURITY IN LIEU OF BOND.] The authority may accept a certified check, letter of credit, or cashier's check in the same amount as required for a bond in lieu of a performance bond for contracts entered into by an authority for an expenditure of less than \$25,000. The check or letter of credit must be held by the authority for 90 days after the contract has been completed. If no suit is brought within the 90 days, the authority must return the amount of the check or letter of credit to the person making it. If a suit is brought within the 90-day period, the authority must disburse the amount of the check or proceeds from the letter of credit pursuant to the order of the court.

ARTICLE 7

LOCAL HOUSING AND ECONOMIC DEVELOPMENT PROGRAMS

Section 1. [116J.986] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 3.

Subd. 2. [INCUBATOR.] “Incubator” means a facility in which units of space may be leased by a tenant and in which the management maintains or provides access to business development services for use by tenants.

Subd. 3. [SPONSOR.] “Sponsor” means a nonprofit corporation organized under chapter 317A that complies with section 2 and qualifies for tax-exempt status under United States Code, title 26, section 501(c), which enters into a written agreement with the department to establish, operate, and administer an incubator or to provide funding to an organization which operates an incubator.

Subd. 4. [TENANT.] “Tenant” means a sole proprietorship, business partnership, or corporation operating a small business as defined by section 645.445 and leasing or otherwise occupying space in an incubator.

Sec. 2. [116J.987] [SMALL BUSINESS INCUBATOR PROGRAM.]

Subdivision 1. [GENERALLY.] The commissioner shall develop and establish a small business incubator program. The purpose of the program is to make loans and grants for the establishment, operation, and administration of small business incubators.

Subd. 2. [APPLICATIONS.] Sponsors may apply to the commissioner for loans or grants awarded under subdivision 1 to establish, operate, or administer an incubator. Each application must:

(1) demonstrate that a facility exists that operates as an incubator or can be transformed into an incubator at a specified cost;

(2) demonstrate the ability to provide or arrange for the provision of business development services for tenants of the incubator;

(3) demonstrate a potential for sustained use of the incubator by eligible tenants;

(4) demonstrate the ability to manage and operate the incubator;

(5) demonstrate a financial commitment of at least 50 percent of the projected costs; and

(6) include any other information the commissioner determines necessary to award the grants or loans.

Subd. 3. [ELIGIBLE USE OF FUNDS.] (a) Loans and grants awarded under subdivision 1 shall be used only for the following purposes:

- (1) the purchase or leasing of existing buildings;
 - (2) the rehabilitation of buildings or other facilities;
 - (3) the construction of new facilities;
 - (4) the purchase of equipment and furnishings which are necessary for the creation and operation of the incubator;
 - (5) paying administrative costs including the salary of the incubator manager; and
 - (6) establishing an incubator revolving loan fund to make loans to tenants with terms and conditions as the department determines.
- (b) Loans and grants may not exceed 50 percent of total eligible project costs.

Subd. 4. [LOAN REPAYMENT.] In making loans under subdivision 1, the department must:

- (1) determine the circumstances, terms, and conditions under which all or any portion of the loan will be repaid; and
- (2) establish appropriate security for the loan repayment.

Subd. 5. [RESPONSIBILITIES OF SPONSORS.] Sponsors receiving assistance under subdivision 1 have the following responsibilities for establishing and operating incubators:

- (1) to secure title to or a lease of the facility;
- (2) to manage the physical development of the incubator facility;
- (3) to provide common conference or meeting space in the incubator that can be used by tenants and community groups;
- (4) to furnish and equip the facility to provide business services to the tenants;
- (5) to market and promote the facility to secure eligible tenants and increase community awareness of the incubator and its tenants;
- (6) to arrange for or provide financial consulting, marketing, and management assistance services for tenants;
- (7) to set rental and service fees;
- (8) to encourage cooperation among tenants;

(9) to establish policies and criteria to determine tenant eligibility and termination of occupancy; and

(10) to maintain an environment that supports business growth.

Subd. 6. [APPLICATIONS; PRIORITY.] The commissioner may establish criteria to establish the priority of the applications received under subdivision 1. The criteria are not subject to chapter 14 and may include the following:

(1) the ability of the sponsor to carry out the provisions of this section;

(2) the economic impact of the incubator on the community;

(3) the incubator's conformance with regional, city, or local economic development plans, if any exist;

(4) the support of the community; and

(5) the location of the incubator, in order to encourage geographic distribution of incubators across the state.

Subd. 7. [REPORTS.] Organizations receiving funds under subdivision 1 must submit an annual report to the department. Annual reports must include, but need not be limited to, a financial statement for the incubator, a list of tenants, and evidence that all tenants are eligible under this section. The commissioner must report to the legislature by January 15, 1992, with a summary of the incubator reports and recommendations for the program.

Sec. 3. Laws 1988, chapter 594, section 6, is amended to read:

Sec. 6. [SMALL BUSINESS LOANS.]

The city council or the agency may make or guarantee working capital loans in an aggregate principal amount not exceeding \$450,000 \$2,000,000 outstanding at any time, subject to such terms and conditions as established by ordinance by the city, to expanding small businesses which are located in the city for the purpose of increasing the tax base and providing employment opportunities within the city. As used in this subdivision, the term "small business" has the meaning given it in Minnesota Statutes, section 645.445, subdivision 2. ~~This section expires June 30, 1991.~~

Sec. 4. [ECONOMIC DEVELOPMENT ACTIVITY.]

In addition to and supplemental to any other provisions of general or special laws or charter, the city of St. Paul and the housing and redevelopment authority of the city of St. Paul may implement a

citywide economic development program, and in connection therewith may:

(1) provide working capital financing for any for-profit or non-profit enterprise, except from the proceeds of bonds or other obligations which may be issued only to provide the capital costs of a project;

(2) acquire an equity interest in a for-profit business entity through investment in a partnership or corporation;

(3) apply funds of the city or housing and redevelopment authority within or without the boundaries of any presently existing or future redevelopment project area, housing development project, housing project, municipal development district, economic development district, development district, mined underground space development, industrial development district, or tax increment district, except that tax increments shall only be applied in accordance with sections 469.174 to 469.179;

(4) exercise any or all of the powers of an economic development authority under sections 469.090 to 469.108, and the powers granted to a city by sections 469.090 to 469.108 or sections 469.048 to 469.068, or other law, provided that (i) only the city shall have the power under section 469.084, subdivision 11, to approve the issuance of revenue bonds by the port authority of the city of St. Paul, and (ii) the housing and redevelopment authority shall not exercise the other powers of the city under sections 469.090 to 469.108 or sections 469.048 to 469.068 until and unless the city, by resolution, delegates the exercise of all or some of those powers to the housing and redevelopment authority; and

(5) apply funds as permitted by clauses (1) to (4) to financing for any public or private parking facility, child care facility, or a project as defined by section 469.153, subdivision 2.

Nothing in this section shall be construed to authorize the city or housing and redevelopment authority to apply or expend funds derived from bonds or other obligations contrary to the terms of any resolution, indenture of trust, revenue agreement, or similar instrument entered into by the city or housing and redevelopment authority in connection with the bonds or obligations.

Sec. 5. [EFFECTIVE DATE.]

Section 3 is effective on the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Minneapolis. Section 4 is effective the day after compliance by the governing body of the city of St. Paul with Minnesota Statutes, section 645.021, subdivision 3.

ARTICLE 8
NEIGHBORHOOD LAND TRUSTS

Section 1. [462A.30] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 8.

Subd. 2. [AGENCY.] "Agency" means the Minnesota housing finance agency.

Subd. 3. [FIRST OPTION TO PURCHASE.] "First option to purchase" means a right of a neighborhood land trust or the agency to purchase all or any portion of the improvements and leasehold interest of a lessee, sublessee, or other resident of property subject to a ground lease, prior to the rights of any other party and at a limited equity price.

Subd. 4. [GROUND LEASE.] "Ground lease" means a lease of real property in which the lease does not include buildings or other improvements.

Subd. 5. [LEASEHOLD INTEREST.] "Leasehold interest" means the real property interest of a lessee in a ground lease in which the neighborhood land trust is the lessor.

Subd. 6. [LIMITED EQUITY FORMULA.] "Limited equity formula" means a method, to be determined by rule adopted by the agency, for calculation of the limited equity price, designed to maintain the affordability of the housing and the public subsidy.

Subd. 7. [LIMITED EQUITY PRICE.] "Limited equity price" means a price for the sale of any building or other improvement located on land owned by a neighborhood land trust determined by means of the limited equity formula.

Subd. 8. [NEIGHBORHOOD LAND TRUST.] "Neighborhood land trust" means a nonprofit corporation organized under chapter 317A that complies with section 2 and that qualifies for tax exempt status under United States Code, title 26, section 501(c)(3), and meets all other criteria for neighborhood land trust set by the agency.

Subd. 9. [PERSONS AND FAMILIES OF LOW AND MODERATE INCOME.] "Persons and families of low and moderate income" has the meaning specified in section 462A.03, subdivision 10.

Sec. 2. [462A.31] [NEIGHBORHOOD LAND TRUSTS.]

Subdivision 1. [PURPOSES.] A neighborhood land trust must

have as one of its purposes the holding of land and the leasing of land for the purpose of preserving the affordability of housing on that land for persons and families of low and moderate income.

Subd. 2. [POWERS.] A neighborhood land trust may have any or all of the powers permitted to a nonprofit corporation under chapter 317A, except that a neighborhood land trust must have the power to buy and sell land, to mortgage and otherwise encumber land, and to negotiate and enter into ground leases with an initial term of up to 99 years.

Subd. 3. [BYLAWS.] The bylaws of a neighborhood land trust must provide that:

(1) members of the general public who support the neighborhood land trust's purposes may become members of the trust;

(2) no more than 30 percent of the members may reside outside of the geographical area in which the neighborhood land trust operates, as specified in the bylaws;

(3) the membership has the power to elect a specified percentage of not less than 51 percent of the members of the governing board of the neighborhood land trust;

(4) lessees, residents of housing located on land owned by the neighborhood land trust, or representatives of either must constitute no less than 25 percent nor more than 40 percent of the membership of the governing board;

(5) remaining members of the governing board, if any, may be appointed by the neighborhood land trust board, to the extent specified in the bylaws; and

(6) the neighborhood land trust has the power to operate only within a geographical area specified in the bylaws.

Sec. 3. [462A.32] [LEASES.]

Subdivision 1. [LESSEES.] A neighborhood land trust shall hold title to and lease land to persons and families of low and moderate income or to other persons or corporations for purposes consistent with the goals of the neighborhood land trust.

Subd. 2. [RENT.] A neighborhood land trust may charge rent to the lessee in an amount to be determined by a method specified in the lease. The rent may include, but need not be limited to, land acquisition costs, real estate taxes, special assessments, an administrative charge, and a land use fee.

Subd. 3. [RESTRICTIONS.] A ground lease in which a neighborhood land trust is the lessor must contain provisions designed to preserve the affordability of housing on the land. Each ground lease must reserve to the neighborhood land trust the first option to purchase any building or improvement on the land, or any condominium or cooperative unit located in a building on the land, at a limited equity price specified in the ground lease. Each ground lease must grant to the Minnesota housing finance agency the right to exercise that first option to purchase if the neighborhood land trust does not, for any reason, exercise the first option. Each ground lease must exempt sales to persons and families of low and moderate income from the provisions granting the first option to purchase to the neighborhood land trust and to the Minnesota housing finance agency. Sales to persons and families of low and moderate income are not exempt from the limited equity price. A ground lease may also contain appropriate restrictions on:

- (1) subletting or assigning the ground lease;
- (2) construction and renovation of buildings and other improvements; and
- (3) sale of buildings and improvements.

Subd. 4. [MORTGAGES.] (a) A ground lease with a neighborhood land trust must prohibit the lessee from mortgaging the lessee's interest in the lease or in buildings or other improvements without the consent of the neighborhood land trust. A ground lease may obligate a neighborhood land trust as lessor and fee title holder to consent to, join in, or subordinate its interest to, a mortgage entered into by a lessee as mortgagor for the purpose of obtaining financing for construction or renovation of housing on the land. A lease provision so obligating a neighborhood land trust must specify that the mortgage must provide to the neighborhood land trust the right to receive from the mortgagee prompt notice of default in the mortgage and the right to cure the default or to purchase the mortgagee's interest in the mortgage. The limited equity price and provisions in subdivision 3 do not apply if the lessee or the neighborhood land trust fails to cure the default or purchase the mortgagee's interest in the mortgage.

(b) A ground lease with a neighborhood land trust must provide that the neighborhood land trust will not, during the term of the lease, mortgage or otherwise encumber its interest in the property or permit any liens on its interest in the property to exist. This prohibition does not apply to mortgages that require the mortgagee to subordinate the lien of its mortgage to a mortgage entered into by a lessee as mortgagor for the purpose of obtaining financing for construction or renovation of housing on the land.

Subd. 5. [RIGHTS OF HEIRS.] A ground lease with a neighbor-

hood land trust must provide that the heirs of the lessee may assume the lease, if the heirs agree to occupy the lease property as their homestead. For purposes of this subdivision, "the heirs" means the heirs at law of a lessee who dies intestate or the devisees of a lessee who dies testate.

Sec. 4. [462A.33] [NOTICE OF LEASE.]

A neighborhood ground lease must be in recordable form and may, but need not be, recorded in the office of the county recorder or filed in the office of the county registrar of titles. If the lease is not recorded or filed, the lessee shall record or file a notice of lease on a form to be prepared and made available by the agency. The notice of lease must state the names and addresses of the lessor and lessee, the beginning date and initial term of the lease, and a legal description of the property. The notice of lease must state that the lease is entered into pursuant to this chapter, must be signed by the lessor and lessee, and must be in recordable form.

Sec. 5. [462A.34] [DISSOLUTION.]

If a neighborhood land trust is dissolved, the procedure is governed by chapter 317A, except as otherwise provided in this section. If a receiver is to be appointed, the agency has priority to be appointed or to designate the appointee. The agency need not exercise its priority.

Sec. 6. [462A.35] [MORTGAGE SECURING LOANS TO TRUST.]

A neighborhood land trust may grant a mortgage on real estate to secure repayment of loans obtained from the state, any of its agencies or subdivisions, or any other entity, for the purpose of purchase, construction, or renovation of that real estate. Any such mortgage must comply with section 462A.32, subdivision 4, paragraph (b).

Sec. 7. [462A.36] [CITY OR HOUSING AUTHORITY MAY ACT AS LAND TRUST.]

Any home rule charter or statutory city, except cities of the first class, or any housing and redevelopment authority as defined by chapter 469 may exercise all of the powers granted in this chapter to neighborhood land trusts, subject to the city's or housing and redevelopment authority's ongoing compliance with all of the requirements of this chapter, except to the extent that compliance with this chapter conflicts with other law governing cities or housing and redevelopment authorities.

Sec. 8. [462A.37] [TRUST LAW NOT APPLICABLE.]

A neighborhood land trust is not subject to chapter 501B or the common law of trusts.

ARTICLE 9

FUNDING FOR NEIGHBORHOOD LAND TRUSTS

Section 1. Minnesota Statutes 1990, section 116J.984, subdivision 1, is amended to read:

Subdivision 1. [COMMUNITY AND NEIGHBORHOOD DEVELOPMENT GRANTS.] The commissioner may award matching grants to eligible organizations. Grants to any one eligible organization may not exceed \$25,000 in any fiscal year and a grant may not be used for any purpose that replaces an existing community program identified by the commissioner. Each grant must be matched with at least two dollars of nonstate money or in-kind contributions to each dollar of grant money. The grants may be used for community or neighborhood public safety and human service activities, street and public property lighting, recycling efforts, repair or removal of dilapidated buildings, community or neighborhood beautification and cleanup, historic preservation of buildings, small scale park and open space development, increasing or preserving the availability of housing primarily serving low- or moderate-income persons, organizing or funding neighborhood land trusts established under section 462A.30, and other projects, programs, or activities that the commissioner determines will improve or revitalize the community or neighborhood.

Sec. 2. Minnesota Statutes 1990, section 116J.984, subdivision 5, is amended to read:

Subd. 5. [APPLICATIONS; PRIORITY.] The commissioner may establish criteria to establish the priority of the applications received for grants awarded under subdivision 1. The criteria may include:

(1) the degree of community support measured by the amount of participation in the project or activities by volunteers;

(2) the extent that the eligible organizations have participated with or solicited input from other organizations that provide community and regional assistance;

(3) the amount of nonstate matching funds identified as available for the project or activities; ~~and~~

(4) the degree to which the project will assure the long-term affordability of neighborhood housing by use of a neighborhood land trust; and

(5) any other criteria the commissioner determines necessary to carry out the purposes of this section.

Sec. 3. Minnesota Statutes 1990, section 462A.02, is amended by adding a subdivision to read:

Subd. 11. It is further declared that it is in the best interests of the citizens of the state of Minnesota that public money used for the purposes of this chapter be used in a manner that best assures the long-term affordability of housing to low- and moderate-income citizens. To achieve that public purpose, the agency shall consider, in the making of grants and loans and other uses of agency resources, the degree to which such grants, loans, and other uses will assure the long-term affordability of the housing, by use of the neighborhood land trust model or other techniques.

Sec. 4. Minnesota Statutes 1990, section 462A.03, is amended by adding a subdivision to read:

Subd. 22. [NEIGHBORHOOD LAND TRUST.] "Neighborhood land trust" has the meaning specified in article 8, section 1.

Sec. 5. Minnesota Statutes 1990, section 462A.201, subdivision 2, is amended to read:

Subd. 2. [LOW-INCOME HOUSING.] The agency may, in consultation with the advisory committee, use money from the housing trust fund account to provide loans or grants for projects for the development, construction, acquisition, preservation, and rehabilitation of low-income rental and limited equity cooperative housing units and homes for ownership. Projects funded under this subdivision may involve property owned by a neighborhood land trust. No more than 20 percent of available funds may be used for home ownership projects. At least 75 percent of the rental and cooperative units, and 100 percent of the homes for ownership, must be rented to or cooperatively owned, or owned by persons and families whose income does not exceed 30 percent of the median family income for the metropolitan area as defined in section 473.121, subdivision 2. Neighborhood land trusts are eligible for both home ownership project funds and rental project funds. In making the grants, the agency shall determine the terms and conditions of repayment and the appropriate security, if any, should repayment be required. To promote the geographic distribution of grants and loans, the agency may designate a portion of the grant or loan awards to be set aside for projects located in specified congressional districts or other geographical regions specified by the agency. The agency may adopt emergency and permanent rules for awarding grants and loans under this subdivision. The emergency rules are effective for 180 days or until the permanent rules are adopted, whichever occurs first.

Sec. 6. [462A.204] [NEIGHBORHOOD LAND TRUST ACCOUNT.]

Subdivision 1. [CREATION.] (a) The neighborhood land trust account is created as a separate account in the housing development fund.

(b) The neighborhood land trust account consists of:

(1) money appropriated or transferred from other state funds;

(2) all interest, dividends, and pecuniary gains from investment of money of the neighborhood land trust account;

(3) all proceeds from the sale of land purchased with money from the neighborhood land trust account; and

(4) money made available to the agency for the purposes of the account from other sources, including the transfer of unencumbered balances from other accounts in the housing development fund.

Subd. 2. [APPLICATION OF ACCOUNT.] The agency shall make loans and grants to finance the organization of neighborhood land trusts, the purchase of land or interests in land by neighborhood land trusts, and the development of affordable housing in accordance with article 8.

Subd. 3. [AGENCY POWERS; DUTIES.] The agency shall:

(1) establish criteria to select which organizations eligible under article 8, that apply for loans and grants under this section, receive funding;

(2) establish priorities for funding neighborhood land trusts that best demonstrate the ability to provide housing for people most in need;

(3) establish requirements for matching funds for loans and grants under this section;

(4) determine the circumstances, terms, and conditions under which all or any portion of a loan made under this section will be repaid; and

(5) establish appropriate security for loan repayment.

Subd. 4. [ELIGIBLE ORGANIZATIONS; CAPACITY.] An organization eligible under article 8 must demonstrate in its application to the agency that it is able to establish and operate a neighborhood land trust by having the capacity to:

(1) organize and continue a relationship with the land trust board as required by article 8;

(2) select and acquire property for a neighborhood land trust and contract with businesses or organizations for the rehabilitation or development of the neighborhood land trust property;

(3) acquire any required matching funds;

(4) link residents of neighborhood land trusts with community self-sufficiency resources; and

(5) provide property maintenance classes and other residential assistance.

Subd. 5. [TRANSFERS.] Notwithstanding section 462A.20, subdivision 3, the agency may not transfer unencumbered balances from the neighborhood land trust account to any other account in the housing development fund.

Sec. 7. [462A.38] [NEIGHBORHOOD LAND TRUST REPORTS.]

Each neighborhood land trust that receives a grant or loan from the agency must submit an annual report to the agency by December 1 of each year. The report must describe the use of grant or loan funds received.

By January 15, 1992, and each year thereafter, the agency must prepare and submit an annual report to the legislature and the governor summarizing the reports of the neighborhood land trusts.

ARTICLE 10

APPROPRIATIONS

Section 1. [APPROPRIATION; DEPARTMENT OF JOBS AND TRAINING.]

\$500,000 is appropriated from the general fund to the commissioner of jobs and training for the emergency mortgage and rental assistance pilot project to be available for the biennium ending June 30, 1993.

\$750,000 is appropriated from the general fund to the commissioner of jobs and training for the operation of transitional housing programs under Minnesota Statutes, section 268.38, to be available for the biennium ending June 30, 1993.

Sec. 2. [APPROPRIATION; HOUSING TRUST FUND ACCOUNT.]

\$2,000,000 is appropriated and transferred from the general fund to the housing trust fund account in the housing development fund for the purposes specified in Minnesota Statutes, section 462A.201.

Sec. 3. [APPROPRIATION; HOUSING DEVELOPMENT FUND.]

\$423,000 is appropriated from the general fund to the housing development fund for the tribal Indian housing programs under Minnesota Statutes, section 462A.07, subdivision 14.

\$100,000 is appropriated from the general fund to the housing development fund to provide housing for chronic chemically dependent adults under section 462A.05. Other special needs housing funds can also be used for the purpose of providing housing for chronic chemically dependent adults.

Sec. 4. [APPROPRIATION; NEIGHBORHOOD LAND TRUST ACCOUNT.]

\$100,000 is appropriated from the general fund to the commissioner of the housing finance agency for the neighborhood land trust account to be available until expended.

Sec. 5. [APPROPRIATION; HOUSING FOR HOMELESS.]

\$100,000 is appropriated from the general fund to the commissioner of state planning to administer article 3, sections 2 to 8 to be available for the biennium ending June 30, 1993.

Sec. 6. [APPROPRIATION; TRADE AND ECONOMIC DEVELOPMENT.]

\$50,000 is appropriated from the general fund to the commissioner of trade and economic development to fund an incubator as a pilot project. This incubator must be located in the seven-county metropolitan area in a city of the first class in a targeted neighborhood with a high population of low-income American Indian residents. The targeted neighborhood is defined by Minnesota Statutes, section 469.201. This sum is available until June 30, 1993. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

No funds shall be released for the purposes of sections 1 and 2 until the commissioner of trade and economic development has reviewed the services and determined that they do not duplicate other state programs."

The motion prevailed and the amendment was adopted.

Clark and Morrison moved to amend S. F. No. 720, as amended, as follows:

Page 29, delete section 23

Page 29, line 35, reinstate the stricken language

Page 29, line 36, reinstate the stricken language and delete the new language

Page 30, lines 1 to 6, delete the new language

Page 30, line 9, delete "or"

Page 30, line 10, delete "owner-occupied"

Page 30, line 11, reinstate the stricken language and delete the new language

Page 30, line 18, strike "and" and after the stricken "corresponding" insert a comma and after the stricken "of" insert "and affordability, as established under section 24,"

Page 30, lines 28 to 31, delete the new language

Page 30, line 32 delete "(4)"

Page 30, line 33, reinstate the stricken "(4)" and delete "(5)"

Page 31, line 3, delete "(6)" and insert "(5)"

Page 31, line 8, delete "(7)" and insert "(6)"

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Clark moved to amend S. F. No. 720, as amended, as follows:

Page 18, delete section 1

Page 18, line 22, delete "state planning agency" and insert "housing finance agency"

Page 23, delete section 9

Delete pages 24 to 28

Page 29, delete lines 1 to 13

Page 51, line 1, delete "shall" and insert "may"

Pages 62 and 63, delete section 6

Pages 63 to 65, delete article 10

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Sparby, Osthoff, Scheid, Stanius, Bishop and Frerichs moved to amend S. F. No. 720, as amended, as follows:

Page 9, delete section 6

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 Sparby et al amendment and the roll was called. There were 91 yeas and 28 nays as follows:

Those who voted in the affirmative were:

Abrams	Bertram	Cooper	Frederick	Hasskamp
Anderson, I.	Bettermann	Dauner	Frerichs	Haukoos
Anderson, R.	Blatz	Davids	Girard	Heir
Anderson, R. H.	Bodahl	Dempsey	Goodno	Henry
Battaglia	Boo	Dille	Gruenes	Hufnagle
Bauerly	Brown	Dorn	Gutknecht	Hugoson
Begich	Carlson	Erhardt	Hartle	Jacobs

Jennings	Limmer	Osthoff	Seaberg	Uphus
Johnson, V.	Lynch	Ostrom	Segal	Valento
Kalis	Macklin	Ozment	Simoneau	Waltman
Kelso	Marsh	Pauly	Smith	Welker
Kinkel	McEachern	Pellow	Solberg	Welle
Knickerbocker	McPherson	Pelowski	Sparby	Wenzel
Koppendrayner	Nelson, S.	Peterson	Stanisus	Winter
Krinkie	Newinski	Reding	Steensma	Spk. Vanasek
Krueger	Olsen, S.	Rodosovich	Sviggum	
Lasley	Olson, E.	Schafer	Swenson	
Leppik	Omann	Scheid	Thompson	
Lieder	Onnen	Schreiber	Tompkins	

Those who voted in the negative were:

Carruthers	Jaros	Mariani	Orfield	Tunheim
Clark	Jefferson	McGuire	Pugh	Wagenius
Dawkins	Johnson, A.	Milbert	Rest	Weaver
Greenfield	Kahn	O'Connor	Rice	Wejman
Hanson	Long	Ogren	Rukavina	
Janezich	Lourey	Olson, K.	Runbeck	

The motion prevailed and the amendment was adopted.

Jennings moved to amend S. F. No. 720, as amended, as follows:

Page 12, delete section 5

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 Jennings amendment and the roll was called. There were 88 yeas and 34 nays as follows:

Those who voted in the affirmative were:

Abrams	Cooper	Hartle	Krueger	Olsen, S.
Anderson, I.	Dauner	Haukoos	Lasley	Olson, E.
Anderson, R.	Davids	Heir	Leppik	Omann
Anderson, R. H.	Dempsey	Henry	Lieder	Onnen
Battaglia	Dille	Hufnagle	Limmer	Osthoff
Beard	Dorn	Hugoson	Lynch	Ostrom
Begich	Erhardt	Jacobs	Macklin	Ozment
Bertram	Frederick	Jennings	Marsh	Pauly
Bettermann	Frerichs	Johnson, V.	McEachern	Pellow
Blatz	Girard	Kelso	McPherson	Pelowski
Boo	Goodno	Knickerbocker	Murphy	Peterson
Brown	Gruenes	Koppendrayner	Nelson, S.	Reding
Carlson	Gutknecht	Krinkie	Newinski	Rodosovich

Runbeck	Smith	Sviggum	Valento	Wenzel
Schafer	Solberg	Swenson	Vellenga	Winter
Schreiber	Sparby	Tompkins	Waltman	Spk. Vanasek
Seaberg	Stanius	Trimble	Welker	
Segal	Steensma	Uphus	Welle	

Those who voted in the negative were:

Bodahl	Hasskamp	Kalis	Olson, K.	Simoneau
Carruthers	Janezich	Kinkel	Orenstein	Thompson
Clark	Jaros	Lourey	Orfield	Tunheim
Dawkins	Jefferson	Mariani	Pugh	Wagenius
Garcia	Johnson, A.	McGuire	Rest	Weaver
Greenfield	Johnson, R.	Milbert	Rice	Wejczman
Hanson	Kahn	O'Connor	Rukavina	

The motion prevailed and the amendment was adopted.

S. F. No. 720, A bill for an act relating to housing and economic development; modifying procedures relating to rent escrow actions; modifying procedures relating to the tenant's loss of essential services; modifying provisions relating to tenant remedy actions, retaliatory eviction proceedings, and receivership proceedings; modifying provisions relating to Minnesota housing finance agency low- and moderate-income housing programs; requiring counseling for reverse mortgage loans; modifying certain receivership, assignment of rents and profits, and landlord and tenant provisions; modifying provisions relating to housing and redevelopment authorities; providing for the issuance of general obligation bonds for housing by the cities of Minneapolis and St. Paul; authorizing the city of Minneapolis to make small business loans; authorizing certain economic development activities within the city of St. Paul; excluding housing districts from the calculation of local government aid reductions; modifying the interest rate reduction program; appropriating money; amending Minnesota Statutes 1990, sections 47.58, by adding a subdivision; 268.39; 273.1399, subdivision 1; 462A.03, subdivisions 10, 13, and 16; 462A.05, subdivision 20, and by adding a subdivision; 462A.08, subdivision 2; 462A.21, subdivisions 4k, 12a, and 14; 462A.22, subdivision 9; 462A.222, subdivision 3; 462C.03, subdivision 10; 469.002, subdivision 24; 469.011, subdivision 4; 469.012, subdivisions 1 and 3; 469.015, subdivisions 3, 4, and by adding a subdivision; 469.176, subdivision 4f; 474A.048, subdivision 2; 481.02, subdivision 3; 504.02; 504.18, subdivision 1; 504.185, subdivision 2; 504.20, subdivisions 3, 4, 5, and 7; 504.27; 559.17, subdivision 2; 566.03, subdivision 1; 566.17, by adding a subdivision; 566.175, subdivision 6; 566.18, subdivision 9; 566.29, subdivisions 2 and 4; and 576.01, subdivision 2; Laws 1974, chapter 285, section 4, as amended; Laws 1987, chapter 404, section 28, subdivision 1; Laws 1988, chapter 594, section 6; Laws 1989, chapter 335, article 1, section 27, subdivision 1, as amended; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1990, section 462A.05, subdivisions 28 and 29.

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:

Battaglia	Farrell	Kalis	Ogren	Simoneau
Bauerly	Garcia	Kinkel	Olson, K.	Skoglund
Beard	Goodno	Krueger	Orenstein	Steensma
Begich	Greenfield	Lieder	Orfield	Thompson
Bertram	Hanson	Long	Ostrom	Trimble
Bodahl	Hasskamp	Lourey	Peterson	Tunheim
Brown	Hausman	Mariani	Pugh	Vellenga
Carlson	Jacobs	McEachern	Rest	Wagenius
Carruthers	Janezich	McGuire	Rice	Wejzman
Clark	Jaros	Milbert	Rodosovich	Wenzel
Cooper	Jefferson	Morrison	Rukavina	Winter
Dauner	Johnson, A.	Munger	Runbeck	Spk. Vanasek
Dawkins	Johnson, R.	Murphy	Sarna	
Dorn	Kahn	O'Connor	Segal	

Those who voted in the negative were:

Abrams	Girard	Krinkie	Onnen	Sviggum
Anderson, I.	Gruenes	Lasley	Osthoff	Swenson
Anderson, R.	Gutknecht	Leppik	Ozment	Tompkins
Anderson, R. H.	Hartle	Limmer	Pauly	Uphus
Bettermann	Haukoos	Lynch	Pellow	Valento
Blatz	Henry	Macklin	Pelowski	Waltman
Boo	Hufnagle	Marsh	Schafer	Weaver
Davids	Hugoson	McPherson	Scheid	Welker
Dempsey	Jennings	Nelson, S.	Schreiber	Welle
Dille	Johnson, V.	Newinski	Seaberg	
Erhardt	Kelso	Olsen, S.	Smith	
Frederick	Knickerbocker	Olson, E.	Sparby	
Frerichs	Koppendraye	Omann	Stanius	

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

The Speaker resumed the Chair.

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. 655, A bill for an act relating to traffic regulations; establishing maximum height for rear bumpers of certain semitrailers; allowing certain equipment to be excluded from computing the maximum allowable length of a semitrailer or trailer used in a three-vehicle combination; providing an exception to the length limitation on certain vehicle combinations; limiting maximum weight allowed on certain vehicle tires; conforming state highway weight limitations to federal requirements; imposing a cost-per-mile fee on certain overweight vehicles; adding an exemption to the motor carrier act; authorizing a variance for small cargo tanks; establishing the initial motor carrier contact program; amending Minnesota Statutes 1990, sections 169.73, subdivision 4a; 169.81, subdivisions 2 and 3; 169.825, subdivisions 8 and 10; 169.86, subdivision 5; 174A.06; 221.025; 221.141, subdivision 4; and 221.033, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1990, sections 221.011, subdivisions 10, 12, 18, 25, and 28; 221.101; and 221.296.

PATRICK E. FLAHAVER, Secretary of the Senate

Lasley moved that the House refuse to concur in the Senate amendments to H. F. No. 655, 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.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 655:

Lasley, Kalis and Marsh.

SPECIAL ORDERS

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

Lasley moved that the names of Brown, Steensma, Hanson and

Orenstein be added as authors on H. F. No. 463. The motion prevailed.

Clark moved that the name of Runbeck be stricken as an author on H. F. No. 1002. The motion prevailed.

Pauly moved that the following statement be printed in the Permanent Journal of the House:

“It was my intention to vote in the affirmative on Tuesday, May 14, 1991, on H. F. No. 594, as amended by the Senate.” The motion prevailed.

Tompkins moved that the following statement be printed in the Permanent Journal of the House:

“It was my intention to vote in the negative on Tuesday, May 14, 1991, on H. F. No. 628, as amended.” The motion prevailed.

Frerichs moved that the following statement be printed in the Permanent Journal of the House:

“It was my intention to vote in the negative on Tuesday, May 14, 1991, on H. F. No. 628, as amended.” The motion prevailed.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 9:00 a.m., Monday, May 20, 1991. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 9:00 a.m., Monday, May 20, 1991.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

